THE Freeman

IDEAS ON LIBERTY

APRIL 1962

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Clichés of Socialism

WHEN a devotee of private property, free market, limited government principles states his position, he inevitably meets a barrage of clichés such as the following, suggested answers to which are now available:

1. *"The more complex the society, the more government control we need."*
2. *"If we had no social security, many people would go hungry."*
3. *"The government should do for the people what the people are unable to do for themselves."*
4. *"The right to strike is conceded, but. . ."*
5. *"Too much government? Just what would you cut out?"*
6. *"The size of the national debt doesn't matter because we owe it to ourselves."*
7. *"Why, you'd take us back to the horse and buggy."*
8. *"The free market ignores the poor."*
9. *"Man is born for cooperation, not for competition."*
10. *"Americans squander their incomes on themselves while public needs are neglected."*
11. *"Labor unions are too powerful today, but were useful in the past."*
12. *"We have learned to counteract and thus avoid any serious depression."*
13. *"Human rights are more important than property rights."*
14. *"Employees often lack reserves and are subject to 'exploitation' by capitalist employers."*
15. *"Competition is fine, but not at the expense of human beings."*
16. *"We're paying for it, so we might as well get our share."*
17. *"I'm a middle-of-the-roader."*
18. *"Customers ought to be protected by price controls."*
19. *"The welfare state is the best security against communism."*
20. *"Don't you want to do anything?"*
21. *"If we need big business, why don't we need big government?"*
22. *"We believe in presenting both sides."*
23. *"If free enterprise really works, why the Great Depression?"*
24. *"Federal aid is all right if it doesn't bring federal control."*
25. *"The United States Constitution was designed for an agrarian society."*
26. *"I prefer security to freedom."*
27. *"Individual workers are too weak to bargain with corporations."*

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GENESIS OF EXTREMISM

LEONARD E. READ

SUPPOSE you have a property – some acres, orchards, herds, buildings. Fearing that it might be despoiled, you employ a guard for protective purposes. He is provided with your rifle and pistol. You contract with him to serve on behalf of that defensive force which inheres in your moral right to life, livelihood, and liberty.

Should no trespassers or marauders appear, the guard remains alert but inactive. For defensive action is only a secondary action; it is brought into play only at the instance of someone else's aggressive action.

Let us now assume that the guard becomes impatient with his inaction, that he despairs of his strictly negative role. Realizing that the self-same force he has been given to defend you can be used to take your life and livelihood, he turns on you, his employer. Contrary to your wishes and using your own weapons, he takes it on himself to sell your produce, pocketing the cash. Some he uses to increase his own wage; he gives other parts of it to neighbors he thinks are "needy"; more of your dollars are allocated by him to a savings account for your old age, but actually he uses these to gratify a space craft hobby of his and deposits his IOU in the account; he goes into debt, but he monetizes the debt so that the dollars he allocates to you are not diminished but increased in number; he dictates how much produce you may raise and the prices you may receive. In short, your hired defender comes to dominate your life.

Being a normal, self-responsible, self-controlling individual, you rebel at this immoral and unwarranted authoritarianism, stoutly maintaining that you do not believe in any part of the guard's program.

The guard, in the meantime, will

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have rationalized his actions to the point of self-righteousness with two lines of defense. The first will justify his own actions, *"But I am doing this for the good of all."* The second will belittle his critics by name-calling, *"You are extremists."*

Extremism, as currently publicized, is aimed almost exclusively at "the extreme right." Khrushchev has not been labeled an "extremist," nor have any of our home folks who sponsor federal urban renewal, or TVA and its extensions, or compulsory social security, or foreign aid to socialistic governments, or whatever. By their definitions, none of them is "extremist." But they are, almost without exception, the ones who hurl the epithet "extremist" at those who do not agree with their authoritarian actions.

For Every Reaction, There Must Be a Prior Action

What we are witnessing is an instance of action and reaction. The genesis of the reaction is the action, and the origin of the current "extremism" is socialistic action.

Let your memory or imagination take you back three decades to pre-social security days. A person who then said he did not believe in compulsory social security evoked no reaction at all. No one thought to classify him as belonging to "the extreme right."

Then came compulsory social security, as socialistic as anything that falls under the definition. The authors of this legislation took the action. Reaction, in the form of dissent, followed. The actionists now call the reactionists "extremists." Had there been no socialistic action in the first place, there would be no antisocialistic reaction now. Nor would the term, "extremist," in its present context, have come into usage.

Parenthetically, there is, now and then, a person who remarks, "I deplore both the extreme left and the extreme right." To unmask this bit of nonsense requires only that it be translated: "I deplore both action and reaction." This makes no more sense than to deplore the thrust of a jet motor or the kick of a shotgun or the flight of a golf ball. Such remarks originate in thoughtlessness and thus do not admit thoughtful analysis.

Variable Responses

What ought to be considered, and carefully, are the varied types of antisocialistic reaction evoked by socialistic action. The social actionists tend to disparage all reaction in one lump – "the extreme right."

There are as many types of re-

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action as there are persons who react. There are those who do not react at all to socialistic flippancy, as unmoved as animals in the zoo. Others only mumble in their beards. These are allies of the socialists in the sense that they are inclined to "go along" with *what is,* regardless of its character.

But among us are numerous dynamic reactionists. Some are calm and rational while others are volatile and emotional. Some proceed peaceably, others belligerently. Some expose the fallacies of socialistic ideas while others never rise above name-calling. Some confine themselves to educational methods, others to political devices. Some try to gain a better understanding and exposition of freedom principles while others set out to reform "the ignorant masses." Some see the fault in themselves and their own shortcomings; others think the socialistic debacle has its origin only in the Kremlin. Some do their work for freedom joyously while others work only in anger. Some give no thought to the time element except their own economical use of it; others insist that "time is running out" and promptly hurry in the wrong direction.

My concluding commentary on the current socialist action is that it may have some good in it. This is to suggest that this action, the forerunner of the antisocialist reaction, has a kind of value; it isn't all to the bad. Liberty, as the late Paul Valery pointed out, is not *primary* within us; it is never evoked without being provoked. The idea of liberty is always a response. In the context of this analysis it is a reaction. We rarely think we ought to be free, or think about it at all, until something shows us we are not free.

The socialist action is a preface to the reaction. Without such action most consciousness of and attention to liberty might well fade out of existence. Until recently the idea of liberty was close to extinguished in the minds of the American people. Something had to provoke a new, dynamic, libertarian sensitiveness. Short of a socialist action, what could accomplish this? Reaction to it is the great and rewarding dividend. May the reaction be marked by intelligence, integrity, good manners, determination; in short, may it take the form of an *extreme* intellectual, moral, and spiritual renaissance! ◈

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"A BOUNDLESS FIELD OF POWER"

SAMUEL B. PETTENGILL

"NO POLITICAL DREAMER was ever wild enough to think of breaking down the lines which separate the States, and compounding the American people into one common mass."

These words were written by our greatest Chief Justice, John Marshall, more than one hundred years ago. He was wrong. Political dreamers are compounding the people into one common mass. Power is being concentrated at one point. Not only is the federal government encroaching upon governmental functions formerly reserved to states and communities, but it also is gathering to itself increasing control over financial (banking) and economic affairs (prices, wages); and it is entering the field of education and the arts.

Mr. Pettengill is a former Congressman from Indiana and a noted authority on the Constitution.

The Republic is being torn down and the Monolithic State is being erected. The business of city halls, county court houses, and state capitols, is being moved to Washington and put in other hands, far from the people.

This is being done in violation of the letter and spirit of the Constitution. It is true that in recent years the Supreme Court under political pressure has given its blessing to this consolidation of power in Washington, and the concurrent destruction of power in state capitols, court houses, and city halls. But that does not settle the question. There is a judge above the Court, and to that judge we can appeal. The People who ordained and established the Constitution can enforce it, if they will, or change it if they choose. The Constitution does not belong to the lawyers.

As John Marshall said: "The en-

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lightened patriots who framed our Constitution, and the people who adopted it, must be understood to have employed words in their natural sense, and to have intended what they said."

Since 1932 The People have amended the Constitution in the following respects only: changed the date for Congress to convene and for a President to be inaugurated; made provision in case of the death of a President or Vice-president elect before taking office; repealed the Eighteenth Amendment; declared against a President having a third term; and gave the citizens in the District of Columbia the right to vote for presidential electors.

Not one of these amendments delegated new or additional powers to the federal government to tax, appropriate, regulate, or govern the states or The People.

Nevertheless, these powers have been assumed or usurped. The federal government is taking over, in whole or in part, such matters as housing, water, sewers, urban renewal, depressed areas, the relocation of industries, health, hospitals, education, police, fire prevention, juvenile delinquency, and even snow removal.

Read and reread the plain words of the Constitution and ask yourself how these words were understood by the men who wrote them, and by great statesmen and jurists down to recent years.

First, George Washington, the president of the Constitutional Convention: "The Constitution which at any time exists, till changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. . . . The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position. . . .

"Let there be no change by usurpation, for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

James Madison, the "father" of the Constitution: "The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many . . . may justly be pronounced the very definition of tyranny."

Alexander Hamilton: "It is the duty of courts of justice to declare all acts contrary to the manifest tenor of the Constitution void."

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Chief Justice Marshall: "To what purpose are powers limited and to what purpose is that power committed to writing, if those limits may at any time be passed by those intended to be restrained?"

Daniel Webster, the "great expounder" of the Constitution: "Good intentions will always be pleaded for every assumption of power. . . . It is hardly too strong to say that the Constitution was made to guard the people against the dangers of good intentions.... There are men in all ages who mean to govern well, but they mean to govern. They promise to be good masters, but they mean to be masters."

Thomas Jefferson, founder of the Democratic Party: "To take a single step beyond the boundaries thus specifically drawn around the powers of Congress, is to take possession of *a boundless field of power*, no longer susceptible of any definition. . . . When all government shall be drawn to Washington as the center of all power, it will become venal and oppressive. I wish to see maintained that wholesome distribution of powers established by the Constitution for the limitation of both, and never see all offices transferred to Washington.

"In questions of power, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

Abraham Lincoln, founder of the Republican Party: "A majority held in restraint by constitutional checks and limitations . . . is the only true sovereign of a free people. Whoever rejects it does of necessity fly to anarchy or despotism."

Woodrow Wilson, father of the "New Freedom," would apparently have vetoed most of the laws passed by the New Deal and the New Frontier to concentrate power. Before his inauguration in 1913 he said: "If any part of our people want to be wards, if they want to have guardians over them, if they want to be taken care of, if they want to be children patronized by the Government, I am sorry, because it will sap the manhood of America. But I don't believe they do. I believe they want to stand on the firm foundations of law and right and take care of themselves."

Again he said, "The history of liberty is the history of the limitation of power, not the increase of it. . . . The concentration of power always precedes the destruction of liberty."

Franklin D. Roosevelt, when governor of New York: "Now to bring about government by oligarchy, the sovereignty of the States must be destroyed. We are

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safe from that danger as long as home rule in the States is scrupulously preserved and fought for whenever it is in danger."

This concentration of power so alien to our system has been brought about, not by The People, and in the manner prescribed by the Constitution, but by legislators and judges who have assigned new, strange meanings to such words in the Constitution as "interstate commerce," "general welfare," and so forth.

This has been done in the face of the fact that we have a written Constitution which delegates to the United States certain specified powers only, and it has been done in defiance of Amendment 10 (put there by The People), which says in plain language that the powers not delegated to the United States "are reserved to the states, respectively, or to the people."

In the momentous case of *Texas vs. White* (1869), the U. S. Supreme Court said: "The preservation of the rights of the States, and the maintenance of their governments, are as much within the design and care of the Constitution, as the preservation of the Union and the maintenance of the National government. The Constitution, in all its provisions, looks to an indestructible Union, composed of indestructible States."

In another great case, *Gibbons vs. Ogden,* Justice Marshall wrote: "Congress is not empowered to tax for those purposes which are within the exclusive power of the States." Apply this language to federal taxes for such matters as education, urban renewal, and the like.

In a veto message to Congress, President Franklin Pierce said: "I cannot find any authority in the Constitution for making the Federal Government the great almoner of public charity throughout the United States. . . . Such a conclusion the characters of the men who framed that sacred instrument will never permit us to form. Indeed, to suppose it susceptible of any other construction would be to consign all the rights of the States and of the people of the States to the mere discretion of Congress, and thus to clothe the Federal government with authority over the sovereign states, by which they would be dwarfed into provinces or departments, and all sovereignty vested in an absolute, consolidated central power against which the spirit of liberty has so often and in so many countries struggled in vain."

It is clear that the Constitution has been practically rewritten in vital parts, not by The People in the plain manner provided by the Constitution but by "usurpation,"

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to borrow from Washington's Farewell Address. The crafty arguments of left-wing professors have been seized upon by ambitious politicians to increase their power and to appeal to the cupidity of voters.

States and their people who might have objected to these concentrations, if submitted as proposed amendments of the Constitution, have been denied their right to vote on them. During the "court packing" fight in 1937, President Roosevelt (forgetting what Governor Roosevelt had said), told the nation over the radio that "the Constitution is what the justices say it is rather than what *its framers* or you might hope it is." Therefore, change the Constitution by changing the judges! He rejected proposals to submit a constitutional amendment on the ground that it would take too long, and that The People might vote it down!

There are at least three great reasons why the continuing concentration of governmental, financial, and economic power in Washington, D.C., may be the "weapon by which free governments are destroyed."

One: If a state goes bankrupt its bondholders lose their investment, but it cannot destroy the value of money generally. A state cannot manufacture money to pay its debts. Nor can it continue to go into debt forever, because in time no one will buy its bonds. But the federal government can manufacture money, and as it goes deeper and deeper in debt, the value of all the money of all the people rots away.

If a state overtaxes its people, they can move out. But if the federal government does so, there is no escape except to invest in foreign lands.

Two: "A power over a man's subsistence is a power over his will," as Alexander Hamilton twice wrote in *The Federalist Papers*. The gathering of the people's wealth into Washington, and its disbursement by grants, gifts, loans, and "federal aid" creates a gigantic political machine, a super-Tammany. Farmers, city dwellers, bankers, businessmen, even college presidents, begin to shut their mouths. So it happened under Hitler and Mussolini. "Whose bread I eat, his song I sing."

Three: The "white gold" of a nation is the character of its people. As ever larger numbers of people are urged by national political leaders to use their ballots to "vote themselves rich," what happens to the moral fiber of the people?

If the sprawling Colossus on the Potomac had made a shining suc-

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cess of balancing its budget, paying its debts, maintaining the value of money, "solving" the farm problem (after forty years of effort), denying monopoly power to labor unions, reducing crime and juvenile delinquency, and improving our world position by fighting three wars in one lifetime, we could, perhaps, view the future with some resignation.

But it has not succeeded in any one of these matters.

What the future holds, no one can say. The native common sense and love of country of the average American could cause him to see how he has been defrauded of his inheritance, and to recapture his right to pursue happiness within the framework of the Constitution that was written by the ablest and most disinterested patriots that history has known, and as it can be amended, where necessary, by The People.

We do know that there is an ebb and flow in human affairs and periods of decadence and corruption are followed by the return of strength and honor.

We can begin with our children in school and college. A good start has already been made in this direction by several completely trustworthy organizations.

I conclude with the words of Supreme Court Justice Story addressed to the "ingenuous youth" of 1840. "The fate of other republics, their rise, their progress, their decline and their fall are written but too legibly on the pages of history. . . . Those republics have perished, and they have perished by their own hands. Prosperity has enervated them, and corruption has debased them. . . .

"They have disregarded the warning voices of their best statesmen and have driven from office their best friends. . . . Patronage and party, the triumph of an artful popular leader, and the discontents of the day, have outweighed, in their view, all solid principles and institutions of government. . . .

"Let the American youth never forget that they possess a noble inheritance, bought by the toils and sufferings and blood of their ancestors. . . . The structure was erected by architects of consummate skill and fidelity. . . . It has been reared for immortality. . . . It may nevertheless perish in an hour by the folly or corruption or negligence of its only keepers, THE PEOPLE. . . .

"Republics fall, when the wise are banished from the public councils, because they dare to be honest, and the profligate are rewarded because they flatter the people in order to betray them." ◈

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MEET HENRY LIN

DAVID S. STRICKLER

MAYBE you won't meet him in a church, and possibly he won't have slanted eyes.

He may label his philosophy as Christian, Republican, Democratic, Internationalist, Progressive, Liberal, or by whatever name.

Probably you won't expect to meet him, and neither did I. But he is not so distant as most Americans want to believe, and it is safer for us to analyze his philosophy and recognize his aims.

Not long ago he approached me in the parish hall of a Boston church, shook my hand, and introduced himself as Henry Lin. Sunday morning services were over, and everybody was milling about and chatting warmly with each other in what is called fellowship hour.

Henry Lin and I each accepted a cup of coffee from smiling ladies at the service table, and then we began to chat, too, amidst the friendly buzz in the parish hall.

"Do you attend this church regularly?" he asked. I told him no, that I was a comparative stranger in Boston, here as a student. He asked where and what I was studying and nodded his head in approval when I told him I was a journalism major at Boston University.

In the course of conversation, I mentioned that I'd served in the Far East during my four Navy years. "Hong Kong?" he asked quickly.

"Yes, Hong Kong, too," I answered. His narrow eyes and whole attitude showed a renewed interest, for Henry Lin himself was Chinese, and I learned that his home was Hong Kong.

He claimed to be a naturalized American, that his work was engineering, and that he had received a master's degree from a Boston area university. Also, my Oriental friend told me it was his first visit to this particular church, that he traveled about to different churches, and through his "work," to various cities.

Henry Lin was a small man,

Mr. Strickler is a journalist and reporter for the *Lebanon* (Pennsylvania) *Daily News* in which this article was first published.
Illustration: A. Devaney, Inc., N. Y.

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probably in his mid-thirties, and not at all impressive in appearance. He wore a plain tweed suit and carried a tan trench coat over his arm. His brown shoes needed polish. Yet, in spite of his plain appearance, Henry Lin impressed me as a quick, clever man, and a challenging conversationalist.

"What was your inmost impression of the Far East?" he wanted to know. Here I paused, a flood of colorful memories from that part of the world springing into mind; some were not happy memories. I merely told him that, having served in Korea and Japan and other Asian lands, I could appreciate the vast problems of population and economy.

Then Henry Lin proceeded to tell me specifically how I should feel toward the Far East (and toward the rest of the world, too). He implied that this could be a peaceful world, with all its collective peoples being well-fed and clothed, if only the United States would continue to send millions of dollars more in aid to Asia. His appeal was "help thy neighbor."

This does seem a logical appeal to a Christian people. It is the current and loud internationalist plea. I realized that Henry Lin seemed most eager to have me thinking in terms of "Christian internationalism."

My replies to his arguments were brief, polite, and provocative. I was curious; I wanted to know what Henry Lin believed and what he really stood for. So I said nothing to discourage his discourse.

"Such a Fine Suit . . ."

As we talked, Henry Lin would reach out occasionally to tug at the sleeve of my coat – as if to get my attention, which surely had not wandered at all from the subject. His was more of a picking gesture, however; he kept picking at my coat sleeve with his delicate bony fingers, and it began to annoy me.

The significance of his gesture became apparent, when in a general characterization of Americans, he used the phrase, "your fine suits." Actually, he had been feeling the material of my suit, which was comparatively new, usually worn as "Sunday best." Yet his attitude somehow made me uncomfortable; it seemed almost as if he were trying to make me feel ashamed of owning and wearing this suit, which he was possibly comparing to the garb of his fellow Asians. Subtly he was implying that I had no right to such a "fine" suit.

But I remembered how I had worked and earned the money to buy this suit and realized that I had every right to wear it proudly.

Henry Lin continued to simplify

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international affairs to the personal level, and this is how I came to understand fully the concepts of the man from Hong Kong.

Let's Share Your Wealth!

He snapped at me suddenly: "If you have two rings and I have none, why shouldn't you give one to me?" For a moment I couldn't think of any reason not to give him one of my rings, if I'd had two. Then he glanced down at my hands and spotted the one (college) ring I was wearing. His eyes glittered as if he had caught me with something to which I had no right, and I instinctively let my ring hand fall from sight. I looked at his hands and saw he was wearing no rings.

I paused a moment to think. Then just as suddenly as he had asked the question, I got angry at it. I got angry at his bold, overpersonal approach. Saying nothing, I thought to myself: "Just a minute, Buddy. Suppose I did have two rings – so what? You've got no right to ask why I shouldn't give one to you. If you want a ring, either earn the money to buy it as I did, or offer something else of equal value in exchange. At the least, you are the one who should tell me – give me a convincing argument – why I should give you my ring."

The international application of his argument hit me hard. Henry Lin was pointing out that the United States is a wealthy nation; he was insisting in the same breath that we share this wealth with other nations. If you have two rings, why shouldn't you give one to me? – this was his argument. He did not ask how he might obtain a ring, too. He did not say he needed a ring. He didn't ask if I were willing to give one of mine. Henry Lin was demanding, in theory and according to his own beliefs, that I give him half my property, implying that I had no right to it.

I was a college student in Boston, intent upon my own training and next month's tuition payment. But suddenly I knew what I was hearing; this is the argument of communism in its most basic terms. As did Henry Lin in his argument, communism *demands* redistribution of private property; it does not ask. The communist demand is followed by force and revolution, if it is not fulfilled "peacefully."

Under the Guise of Charity

For a moment I stared at this little man standing beside me in the parish hall of an American church. I imagined him chopping away at the pillars of this church with an ax – then realized that this picture was much too crude

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and simple. He had no ax in his hands, nor any gun or bombs; he was not wild-eyed.

The work of Henry Lin is far more insidious, for Henry Lin and his kind use the very principles of Christianity to destroy Christianity. They use the principles of freedom to destroy freedom – through an approach called "liberalism." This means simply that Christianity and freedom shall be redefined and re-evaluated in such a "liberal" way as to include the seeds of their own destruction.

I don't know to what organizations Henry Lin may have belonged. That doesn't matter, since "fronts" are as cheap as words. I do know positively from this and the following exposition of his own philosophy that Henry Lin is a Marxist thinker and lobbyist operating under the guise of liberalism and internationalism.

His specific work is to confuse and influence Americans to be "liberal" enough to allow the foundations of their own republican form of government to be chopped out from under them. His is a soothing voice, assuring us that there is no communist menace to America or the world, that all the world wants peace, peace, peace – on into a hypnotic drone. (That is, peace – if you will give me one of your rings.)

The arguments of Henry Lin seem fantastically logical in theory. "Help thy neighbor" is an appeal which a generous and Christian people do not easily ignore; and certainly Americans have not been ignoring this international cry. We have been sending out tons of food and materials, tools, and even gold, largely on our own Christian principle of "help thy neighbor." We have been aiding generously those enemy nations which have sworn to "bury" us.

Certainly it would be shocking for Americans to face the truth that these tons of materials and money have been accepted by the peoples of the world under an entirely different principle called "share the wealth."

They Expect Americans To Give

Yet the time is long overdue to face this unpleasant truth and to realize that the seeds of this collectivist philosophy have been sowed deep in lands across the world. Most peoples, including the so-called neutralists, and even some of our allies, have been so influenced by the insidious socialist and communist concept that they actually believe America *owes* them a share of its wealth. (Owes them one ring, or perhaps the finger on which it is worn, or possibly a whole hand in the bargain.)

They believe that American pro-

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ducers have little or no right to the wealth which they have mined and manufactured. Capitalism has become a dirty word, and the collectivists are urged to hate America simply because Americans do have better suits or more rings, and more food which is also produced by Americans.

Have the peoples of the world become so steeped in Marxist doctrine that they cannot understand or appreciate the universal religion of "help thy neighbor"? Have they so debased this religion that it now becomes an international chant for this false economy of "share the wealth"?

Henry Lin and I stood talking in the parish hall, while the others had long since gone, and the coffee in our cups had grown cold.

Although I said little compared to his shrewd arguments, I was not now listening so intently either; I was maneuvering for time to think the issues through in my own mind.

Henry Lin pointed out that the peoples of the world are intelligent enough to choose for themselves the system under which they will live. And then he asked the question I was anticipating: "Why do many choose communism even after hearing all the arguments for the American form of government?"

The only answer is that communism spreads like a plague among demoralized peoples – rich and poor alike – who believe the world owes them a living – who believe they will be given something for nothing – who believe they should simply be given a ring from another's hand.

Communism may be readily accepted by those who have never known true freedom and therefore couldn't truly desire and strive for freedom.

From the propaganda approach, it is infinitely more difficult to explain this freedom, which is an inherent spirit in individuals, than it is to promise something-for-nothing to masses of people who are deceived and led to believe that such a lawless theory could actually work in practice.

His Real Objective

After the first two hours of our discussion in that Boston church, Henry Lin became more outspoken, more obvious in his arguments. He talked of the role of Soviet Russia in "fostering world peace" and urged that the United States should follow such an example.

In coldly matter-of-fact tones, he lamented the fact that it is sometimes necessary to wage war and to shoot men, pointing out that it is "better" to win a man's mind than to shoot him. Also sim-

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pler and not as messy, I thought to myself.

We talked of propaganda and propaganda mediums, and I was surprised when the man from Hong Kong flatly admitted that he had been trying to influence me. He asked if I would join a certain students' organization in Boston. And he asked if I had ever thought of writing anything for publication along this "internationalist" line.

As we parted in front of the church, I assured him that I did feel inspired to write an article for publication. At this his narrow eyes glittered and he smiled slightly.

And so I have mentioned the significant details of my casual encounter with this man during my days of study in Boston. I have written to help alert others to this twisted philosophy spread by Henry Lin, dedicated communist. The Henry Lins you meet may not be Oriental, or foreign born at all; many are from families that have lived and thrived in America for generations.

The Henry Lins you meet may not demand that you share your wealth with the entire world; they may only ask for "their share." But in any case, what these international drones have in mind is compulsory collectivism, not Christian charity. ◈

IDEAS ON LIBERTY

Don't Knock the Rich

Why should you grudge another
The fortunes he does reap?
Bless him! He's one brother
That you don't have to keep.

PACKY MC CRORY

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RUSSIA'S STRENGTH IN SCIENCE IS HER WEAKNESS

JAMES R. PHILLIPS

IF 124 years of past history is to be accepted as a valid guide, the United States of America will quickly draw ahead of Russia in the cold war.

We Americans like to joke that Russia claims to have invented many things. We like to think that Americans really invented most of these things – because we know very well that the tremendous development of these products came right here in the United States. But the truth is that Russia did indeed invent many of the things that America developed.

The communist society in Russia today differs only in degree – not in type – from the society that existed in Czarist Russia. Under the czars a small percentage of Russia's population belonged to the aristocracy. This artistocracy had a traditional love for science – and great personal freedom to follow scientific investigations. The great Russian novelist Tolstoy, in his famous 1,400-page novel, *War and Peace,* played up this science tradition. One of his main characters, Prince Andrei, was involved in research when the Czar called him off to fight against Napoleon. But as *War and Peace* pointed out clearly, this freedom of the intellectual aristocrats did not extend beyond the realm of science. Prince Andrei was a landlord who loved his people – but the czarist system did not permit him to introduce reforms.

Today the Russian communist society also has an intellectual aristocracy – limited to a small percentage of the people. Again these intellectuals have a wide freedom to pursue scientific investigations. But once again the Russian state forbids any freedom beyond this limited field of science.

While the Russian state suppresses development of scientific

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discoveries, the American system has always encouraged it. We too have had our share of creative scientific geniuses, beginning with Benjamin Franklin, who proved that electricity and lightning are the same thing. But in America a scientific idea became not an end in itself – but rather the beginning of new engineering feats!

Freedom of individual initiative spreads all through the American society – reaching every facet of our political, economic, social, and religious life.

It is this freedom which has produced a dynamic flexibility in the American society. And thus twice before in the past 124 years, America has rapidly surged ahead to develop a Russian invention on a wide scale, while Russia itself remained in the background. Now, history seems to be repeating itself for the third time in the current cold war.

The Telegraph and Television

To understand the present, it is necessary to analyze the past. And the past shows that Russians invented both the telegraph and the television – only to have Americans develop, perfect, and mass produce both of these items – even while Russia remained sadly deficient in each.

It was in 1825 that Russia first took a major science lead over the United States. Both nations were still quite young. Both had newly won world notice by defeating Old World powers. In 1812 Russia had defeated Napoleon, crushing the tremendous French land army. In 1815 the United States concluded its second war against Great Britain – a war in which the tiny but gallant American navy administered a series of humiliating defeats on the previously invincible British fleet.

In 1825 Baron Schilling (Russia's minister to Austria) invented a crude electromagnetic telegraph.[1] The Czar refused to permit development of this invention. He was afraid his people would be able to communicate rapidly with each other via the telegraph and plan a widespread revolt through his Russian empire. So Russian science was forced to stand still.

Meanwhile, a brilliant and creative young American portrait painter named Samuel F. B. Morse heard of this telegraph while on a three-year visit to Europe to study art. Morse's imagination was aroused by the telegraph. Quickly he returned to the United States to develop it. He experimented in bitter loneliness for five years. Fortunately, the American free society permitted this develop-

[1] Mitchell Wilson, *American Science and Invention* (New York: Simon & Schuster, 1954), p. 119.

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ment. There was no strong central government here to squash such original thinking.

And thus it was in 1837 that America took the lead in telegraphy. In 1837 Samuel Morse demonstrated his telegraph at New York University. The telegraph that Morse demonstrated was already far ahead of Baron Schilling's crude early device. Morse won an American patent. He went on to develop the Morse code – making telegraphic communication a practical reality.

On April 1, 1851, what is now the Western Union was formed. Under the American free enterprise system, the growth of telegraphy began. Samuel Morse – a formerly penniless artist – became rich rapidly.

The Civil War Impetus to Telegraphy in the United States

But the biggest development and growth of telegraphy was yet to come – and again it was in the United States.

It was the Civil War that led to the real growth of telegraphy. On June 3, 1861, General McClellan sent the first Union Army telegram to Washington. President Abraham Lincoln instantly recognized what the narrow-minded Russian Czar failed to see – that the telegraph, far from being an enemy of the government, could be its greatest ally! President Lincoln ordered a telegraph room set up right in the White House. He had 15,389 miles of "lightning wire" strung. Civilian telegraphy expanded rapidly at the same time. Altogether, 1,200 "telegraph boys" were hired and trained. One of these boys was a bold 15-year-old named Thomas Edison.

Quickly young Tom Edison mastered the telegraph. By 1869 he was Western Union's fastest telegraph operator. Just one year later – when he was only 22 – he invented a device which today symbolizes America's free enterprise system. It was the stock market ticker tape. It brought him $40,000 and ended his poverty forever. Edison called himself "America's first electrical engineer." He promised "inventions-to-order." Inventions were ordered. He delivered a fantastic 1,093 inventions in the next 24 years! Western Union paid him $250,000 for just two of his early inventions.[2] By 1872 the pace of inventions was speeding up in America, even as the stagnant Russian economy continued to plod ahead at its government-restricted pace. It was in that year that a Boston speech teacher named Alexander Graham Bell saw a Western Union ad offering a fortune to anyone who could invent a telegraph capable

[2] *Ibid.*, p. 299.

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of sending several messages at the same time.

With a fortune at stake, Bell set to work to develop a multiple telegraph. His knowledge of sound and electricity led him to invent the telephone in June of 1875. He offered his invention to Western Union for $100,000. It was not the invention the company had been looking for. It turned him down. If this had been Russia and it had been the central government which turned Bell down, the telephone might have remained forever unknown. But fortunately, the American free enterprise system existed and Bell stubbornly kept on trying to develop his product. He was desperately in debt. Finally he found some private backers. He launched the Bell Telephone Company. By December of 1879 the new telephone was a big commercial success in the United States. Bell Company stock had grown to $995 a share. Bell and the early, far-seeing investors in the telephone had become rich.[3] And thanks to the dynamic flexibility of the American free enterprise system, the world was able to benefit from the telephone. Russians, meanwhile, under a government system strikingly like that which they have today – the communist system of central government – still were not able to develop the telephone.

Applied Electronics

The United States and Russia went their separate ways. Russia continued to concentrate on pure science. The United States continued to devote most of its efforts to practical application of scientific discoveries. For example, in 1883 Edison discovered something he could not see any practical use for at that time. He called it "The Edison Effect." Thirteen years later an Edison assistant named Fleming realized that this "Edison Effect" was a brand new field – electronics![4] He invented the first electronic rectifier. But there was not yet any practical application for electronics. Edison and America ignored it. We concentrated on bringing the benefits of electricity to American industry – which expanded at a fantastic pace. Meanwhile, Russian industry grew at a snail's pace, controlled by the dead hand of central administration.

If the telegraph and telephone were the only examples of the Russian centralized society failing to follow through on one of its own inventions, then we would have

[3] John Patterson, *America's Greatest Inventors* (New York: Stratford Press, 1943), p. 60.

[4] Jerome S. Meyer, *World Book of Great Inventions* (Cleveland: World Publishing Co., 1955), p. 184.

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little cause for confidence today. We might think that the communist revolution had transformed Russia's society. Actually, history proves quite the opposite. The Russian society definitely transformed the communist revolution! It changed it from the society envisioned by Karl Marx to one directed by a tiny intellectual aristocracy at the top – a society not unlike the Russian society under the czars.

The Coming of Television

Perhaps the most striking proof of this comes in the story of the television. Russia has long claimed to have invented the television. We have long laughed at their claim. We should not laugh – for they did invent the television! In this discovery lies not proof of Russian supremacy but proof of our own.

In 1900 Russian scientists were trying to develop a wireless telegraph. Their research led them to invent television. Russia's Boris Rosing succeeded in projecting the first small, blurred television image in a laboratory.[5] But once again the heavy hand of government clamped down. The discovery remained in the laboratory. The great possibilities of television were denied to the Russian people – for the Russian government feared that an enlightened people might rise up and overthrow their despotic rulers.

Boris Rosing's assistant, Vladimir Zworykin, escaped from Russia.[6] He came to the United States, known all over the world as the home of free enterprise and unlimited opportunity.

The communist revolution succeeded in replacing one totalitarian dictatorship with another. Russian life remained stagnated by the heavy hand of central administration. But in the booming 1920's, American industry entered one of its most creative and dynamic phases. It was in this free American society that the Russian invention of television was developed. And an American capitalistic organization called Radio Corporation of America (R.C.A.) was intrigued by immigrant Zworykin's television ideas. It decided to develop them. And in succeeding years R.C.A. spent $9,253,723 to develop this ex-Russian's television ideas. Meanwhile, in 1922 a 15-year-old Idaho genius named Philo Farnsworth read about Rosing's early TV experiments. Farnsworth realized that the electronic vacuum tube invented by America's Lee DeForest in 1907 would overcome many of the defects in the crude Russian device. He sketched his own TV unit. American engineers appraised

[5] Wilson, *op. cit.*, p. 400.

[6] *Ibid.*, p. 401.

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it to be far ahead of Rosing's. Another American capitalistic organization – Philco Corporation – backed Farnsworth with one million dollars. In the fertile soil of free enterprise America, the idea which had been stifled in Russia raced to full development and maturity.

World War II hastened the development of television. Churchill used radar – a first cousin to television – in the 1940 battle of Britain against Hitler's *luftwaffe*.[7] Always flexible and willing to seek instant practical application of scientific inventions, America's young electronic firms dropped their work on television and rushed to develop radar instead. They made fantastic progress in a short time. General Eisenhower later used advanced American radar in the war in Europe. General MacArthur used it in the Pacific. It was after the war that the great difference between the flexible American free enterprise system and the stultified Russian communist system was clearly shown. Russia's central planners proved unable to appreciate the potential benefits of television – an idea they had conceived themselves!

But once again American companies, spurred on by the twin goals of public service and the profit motive, raced in a competitive struggle to perfect television quickly. Within a few years after the war, television was ready for the consumer market. The early leaders in TV – R.C.A. and Philco – both enjoyed giant sales growth in the TV sales boom of the early 1950's. Within a decade millions of American families added the television set to their other home appliances – including telephones – and thus widened the already huge gap in standard of living between them and their Russian counterparts. Once again the highly centralized Russian system had proven itself capable of concentrating scientific energy in the discovery of a new invention – but absolutely incapable of flexibly adapting itself to the development of mass production of such an item.

We Could Do It Again

One would think that after America had so consistently fallen behind Russia in scientific inventions – only to stage a quick comeback and forge ahead into a fantastic lead – that we Americans would be confident in our ability to do it again.

But for some reason, Americans were not aware of our great record in overcoming early Russian leads. In the 1950's, while Ameri-

[7] Egon Larson, *Men Who Changed the World* (London: Phoenix House, Ltd., 1959), p. 213.

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can firms were mass-producing television sets, Russia was pushing ahead with new scientific research. On October 4, 1957, Russia shocked the world as it regained its science lead. It launched the first earth satellite in the history of the world – Sputnik I.

Americans around the country panicked at this great lead into the space age. Voices of doubt and anguish were heard arising from all over the land. Some even wondered if the American system were not inferior to the communist system.

John Foster Dulles pointed out that totalitarian government had always been capable of great scientific achievements. For example, the Egyptian Pharaohs made great advances in the engineering science in building the pyramids. But at what a cost in human life and comfort! When Moses led his people out of scientifically advanced Egypt, the great era of individual freedom began. The battle between Moses and the Pharaoh has been going on all through history. It is still going on today in the cold war between Russia and free America.

Closing the Gap

America's free enterprise system was not shocked by Russia's launching of Sputnik. It had grown used to Russia's scientific advances over the years. It had also developed a sense of confidence in its ability to overcome quickly such Russian leads.

On the night of February 17, 1958, President Keith Funston of the New York Stock Exchange said in Washington, D. C., "The demands of the space age will require an outpouring of capital that dwarfs anything the United States has ever before attempted. Seven billion dollars a year must be raised annually through stock issues – more than 2½ times the level of recent years," he estimated. Actually, the dynamic American free enterprise system had already begun its rapid drive to close the research gap. On the very same day that Mr. Funston spoke, *The Wall Street Journal* carried a summary of new investments made by the deVegh Mutual Fund. The managers of this investment fund saw in the space age a great and fundamental opportunity for free enterprise to prove itself – and they seized the opportunity. The Fund managers added a total of 23,408 shares of nine stocks already moving into the "space age." And this was just the beginning of a massive effort by America's free enterprise system to catch up and pass Russia in the space age.

In the months since then we have seen the unbelievable results of competitive American industry

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meeting a challenge to our freedom. In just a few short years America has overcome a Russian research lead that had been conservatively estimated at at least twelve years. Less than four years after America had been shocked at Sputnik, America had launched its own man into space.

And this is just the beginning. Already "second generation" products are pouring off the assembly lines of American companies. Even as Russia concentrates all of its scientific and industrial might in the perfection of just one device – its giant rocket – American firms are branching out and developing an unbelievable mixture of commercial and military "space age" products. Already America's life has been profoundly changed by "space age" products. American scientists have again shown that once aroused they can compete with any other scientists in the world – and win this competition. But perhaps the biggest advantage on our side is the flexibility and initiative that our system of privately owned companies has produced. Not one but dozens of missiles were designed and tested. Not one but several rocket fuels were developed. And this duplication – ridiculed and ignored by the communists – has occurred in every field of "space age" research. Yet it is this same apparent duplication of effort – spurred on by competitive circumstances – that has resulted in the unbelievably rapid development of superior products in a number of space age fields.

And now, even more advanced products are on the drawing boards of American industry. Just as before, American citizens are finding their individual standards of living raised dramatically through the practical application of scientific development – even as the Russian central government continues to deliver nothing but promises to its underfed and overworked masses.

Yes, 124 years of history shows that the American system can overcome Russia's science lead (if she has a lead at this time). But history also records a considerable tampering with the American system during our time, an accelerating trend toward the kind of socialistic welfare statism and government regulation and control of industry and people that destroys the flexibility and initiative of free men in a free market. Unless this trend be reversed, by the will of individuals to be self-responsible and free of the government-guaranteed life, there is no assurance that our former advantage over Russian ideas and practices can be maintained. If we give up freedom, we lose its by-products as well. ◈

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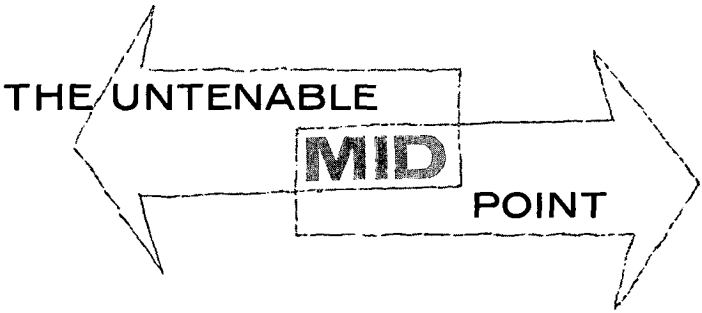

JOHN C. SPARKS

SOME OF US, interested in the study of limited government and maximum liberty, have met nearly every month for more than ten years. Newcomers to our meetings are troubled by the increase of government interference in their lives. Many, for the first time, seek a boundary line between the functions proper for government and those that are improper. Usually the newcomer already believes that government should not engage in certain things – such as federal aid to education, excessive taxation, or subsidies to farmers – and evidences a desire to stop government encroachment in his private life. He is attracted to our discussion group where he hopes to find others opposing the same government intervention he opposes.

Occasionally, the guest has little fundamental philosophy as to why or where government should be limited, but he knows he dislikes big government.

A logical, step-by-step explanation and review of the thrilling history of our country serves to remind him that government properly holds only those rights first possessed by each person before they were delegated to the defensive agency. Briefly, government should be as a soldier to defend against external attack, and as a policeman to protect the lives and property of its citizens from internal attack – nothing more.

This leaves many of the present-day government activities outside the definition. The new inquirer quickly confirms his own chief peeve against the government; but, as he mentally checks

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off a list of other activities also outside the definition, he runs into trouble.

Federal aid to education is understandably wrong, and so is public housing, he thinks, but what about the postal system? Surely, it is all right. Is there an exception to the definition?

No, of course not. Yet the definition appears more inflexible by the minute as item after item of commonly-accepted government action moves across his mind's eye. Pure food laws, city garbage collection, municipal water plants, land reclamation, federal travel agencies, municipal golf courses, state education, state employment service, milk marketing orders — are all of these improper functions of government?

Perhaps the definition is too extreme; maybe a more temperate position is better, decides the visitor, and anyway, extremes must be avoided.

Thus, a potential conservative is in jeopardy of being lost. Our experience has been mixed; some continue on, a few do not return.

Since the purpose of our study is to develop a better understanding of individual liberty in order to influence the direction of future government, it is serious when someone showing an interest in the subject is repelled. Paradoxically, on a national scale, the more able the explanations of the importance of minimum government, the greater is the intensity of the opposition from those who clamor for big government. On the other hand, the less able the arguments by half-hearted, apologetic advocates of minimum government, the less anyone is convinced of the rightness of the limited government stand. Either reason can produce a negative attraction for the freedom philosophy.

The purpose of this piece is to confirm the case for full adherence to uncompromising, maximum individual liberty. Such a stand circumvents the second reason and squarely meets the first reason head-on. The more positive the conservative position, the greater will be the alarm and reaction among the "liberals."

Denunciation of "Extremists"

It is currently the deliberate tactic of the "liberal" element to denounce "extremists," although the category is not clearly defined. Others, unaware of the basic issue, take up the cry, resulting in further onslaughts in news articles, editorials, public speeches, and friendly conversations. As a result, anyone who believes in the principle of limited government potentially is put on the defensive as an "extremist."

One should know the flaws in

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the "liberal" attack in order to combat the accusations successfully.

Purposely thrown into one classification of "rightist" by the "liberals" are anti-Semitist and fascist groups. Nothing could be farther from the truth than to include these undesirable groups in a "rightist" classification. The Stalin-Hitler War led many to believe that since Stalin was extreme left, Hitler must have been the opposite. The common foundation of all leftist thought is power-laden government, whether known as socialism, communism, welfare state, or as nazism and fascism. The latter two are kindred totalitarian systems of socialism, not opposites, as "liberals" would have one believe. The strategy of the "liberals" is obvious. Denounce fascism; then falsely classify fascism as a rightist movement. Result? The public is led to believe that rightism is evil, because almost everyone knows fascism is evil. Similar tactics are used with any target that conveniently serves the purpose of embarrassing the right.

Dissension in the Ranks

The distinction between the false right and the true right is not widely enough known to prevent the "liberals," as well as their shallow "carbon copies," from picking up the "extremist" term and hurling the false clichés and impressions at the conservative, hoping to shame him before the uninformed public, or at least dampen his enthusiasm for the conservative or libertarian cause.

There are many examples that must warm the hearts and souls of the "liberal" leaders. The "non-extremist" editorial writer, for one, opposes big government spending programs and supports free enterprise in name, but contradicts himself by advocating a federal urban renewal program for his city. Then, looking upon himself as a moderate and practical conservative, he criticizes the true conservatives, who oppose all government intervention even when given the opportunity to claim a portion of the loot for their own personal or community advantage. This is quite a picture – the true conservative admonished by the lukewarm conservative, while the "liberal" looks on in glee.

The presence of this background of irresponsible extremist publicity may seriously influence the potential new conservative to be apprehensive about any belief, concerning the scope of government, that lies to the right of his present belief. Consequently, more than one person delving into the limited government concept in our

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discussion group has indicated that the libertarian is too intemperate and should move to a more temperate position.

Adherence to Principle

Let's examine this recommendation. According to Webster, a temperate person is self-controlled. Self-control implies adherence to certain fixed principles; otherwise, it has no meaning. A libertarian has fixed principles of the highest quality. He is convinced he has no right to initiate force against another person. Honesty demands his recognition that support of federal aid to the home-town project initiates force against others – requiring others to "contribute" their property and money. The libertarian is willing to face facts and reflect them as accurately as he knows how. This is truthfulness. The limitation of government is truth, based on the rights of each man to defend his life and his property. To recognize this fundamental principle, and then fail to embrace it, reveals that one subscribes to untruth.

The libertarian, then, *does not believe in initiating force* against another – lawfully or unlawfully. He faces this principle *honestly,* even when it means personal inconvenience. He *truthfully* reflects his own understanding of the basic principle without rationalizing acceptance of special privilege at the expense of others. This is the temperate position of self-control.

Those who seek the "safety" of a so-called temperate position are not searching for firm principles. Lacking conviction of belief, either left or right, they hope to enjoy a comfortable middle-of-the-road position, free of controversy and undemanding of courage. The "moderate" conservative, self-designated due to his leanings ever so slightly to the right, fails to understand that the nonextreme he seeks implies a mid-point between right and wrong.

If a libertarian is to be "temperate" in this latter, twisted meaning, he must reside philosophically somewhere between honest and dishonest, truth and untruth, and to a great degree, he must be willing to initiate force against another. If this is libertarian philosophy, then the term no longer has meaning, for it relates to nothing. There is no mid-point between truth and untruth, or between honest and dishonest. Neither is there a mid-point up to which one can properly initiate force against another, and beyond which it is improper.

When one departs from the basic, definable principle and looks for a mid-point beyond, he dis-

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covers there are as many mid-points as people who attempt to define them. It compares to a football field without boundaries, yard lines, or goal posts. Whether a "play" results in a gain or loss under such circumstances cannot be determined. This is bad if the objective is clarity of direction. This is good if the objective is confusion so that few can know how the game is going.

Nowhere To Stand

This confusion gains ground for totalitarian goals. An irresolute conservative who fears being called *ultra*conservative or *extremist* more than he fears the evil results of embracing fallacy, should re-examine his position. A mid-point is not a tenable position, for it cannot withstand the repetitive "liberal" argument to move one notch nearer to complete socialism.

If one believes that government housing for families earning less than $6,000 is proper, then why not $10,000? or $20,000? If one believes that compulsory government education through twelve grades is proper, then why not through four years of college? If one believes it proper to subsidize sugar factories, why not ceramic tile factories, grocery stores, and rubber-toy plants? If one believes it proper to socialize the medical profession, then why not include lawyers, accountants, and architects? If it is proper for government to carry our mail, inspect our food, collect our garbage, build parks and golf courses for our recreation, educate our children, subsidize school lunches, pay farmers for not farming, fix prices for milk and fruits, operate fire departments, compel us to save for old age by assessing a social security tax – then where can a "mid-point" line be drawn?

It cannot!

There is only one place to draw a clear line – government, a *soldier* to protect us from outside attack, and government, a *policeman* to protect our lives and property from inside attack. This is the only position that seems to be consistent with the freedom philosophy and worthy of full support.

Strategy in Persuasion

Undoubtedly, something can be said for strategy in persuasion. Shocking the new inquirer is not usually the ideal method to win someone to the basic limited government concept, for it is not a simple matter to erase years of fallacious thought in one hour's discussion. Learning takes time. On the other hand, an inquirer bold enough to search for truth should be courageous enough to face truth when he finds it. Surely

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a libertarian who is asked where government should be confined cannot answer the question dishonestly, not even when asked about one of the less important government intrusions of the rights of individuals. He must answer not only honestly, but he must also explain clearly and logically.

One should not fear the truth; there is no danger in understanding where the line should be drawn. "Liberals" denounce the ultraconservative as dangerous, but do not say why or how he is dangerous. Is it dangerous to believe that each person should make his own choices, his own decisions, live his own life, and use his own property? If so, to whom is this dangerous? It should not be too surprising to learn who finds it so – those with government power or government-endowed special privilege or who covet such power and privilege, and those who enjoy being masters of human puppetry and live off the production of others.

The idea of freedom *is* dangerous to these liberals who stand on the left, yearning for ever-increasing government power to make decisions rightfully belonging to individuals. The libertarians or conservatives stand on the right, fighting hard to regain for each person the right to make his own decision.

In between, among the sheep, stand the faltering, would-be occasional conservatives who seek mid-points. They are conspicuously ineffective, especially against socialism. ◈

IDEAS ON LIBERTY

Freeman *Policy*

ALMOST EVERYONE is "for freedom" providing "proper" exceptions are allowed.

Our task is to present the freedom philosophy all the way, logically and consistently – as we see it.

This sometimes involves a fresh look at "proper" exceptions; if everybody's exceptions are taken together, no room is left for any freedom at all.

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ALBERT SCHWEITZER, in his *Decay and Restoration of Civilization,* expressed his hopes for the survival of civilization in the following words:

"The renewal of civilization has nothing to do with movements which bear the character of experiences of the crowd; these are never anything but reactions to external happenings. But civilization can only revive when there shall come into being in a number of individuals a new tone of mind independent of the one prevalent among the crowd and in opposition to it, a tone of mind which will gradually win influence over the collective one, and in the end determine its character. It is only an ethical movement which can rescue us from the slough of barbarism, and the ethical comes into existence only in individuals . . ."

But most men lack character depth and stability. Infirm or shaky in our ethical moorings, we are guided by public opinion that is maintained by means of mass communication. Our opinions are shaped by the press, radio, and television, by financial and other considerations. Our understanding of ethical, political, and sociological phenomena is fashioned by heresay and propaganda, by majority beliefs and decisions.

TO RE *Ethical* FO

HANS

We like to cling to and identify ourselves with popular labels. In democratic surroundings we are eager to be good democrats. In a socialistic setting we are good socialists, among communists probably good communists, and among conservatives we strive to be good conservatives.

But no matter what label appears to be the most fashionable, we are prone to attach the prevailing beliefs and prejudices to the label we adopt. If, for instance, we choose the conservative label because it appears fashionable and personally desirable, we tend to interpret it socialistically if the prevailing opinion is socialistic. As a crowd we thus usurp the fashionable labels and pervert them with popular notions and prejudices. Old venerable terms, such as democratic, liberal, and

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even American, thus are changed through usurpation and reinterpretation until they now purvey the very opposite of their original meanings.

Lest we become a speck in the crowd of which Schweitzer was speaking we must continuously re-examine the religious and ethical foundation to which we are moored. With unrelenting zeal and scrupulous care we must reorient ourselves always anew toward the ethics we profess. Without the greatest alertness we are bound to sink into the shallowness and instability of the mass.

If we believe in the inherent freedom and dignity of man, in his responsibility before his Creator and his fellow men, we must re-examine tirelessly our individual actions and readjust them to the foundation. If we profess the principles of a free society, political and economic freedom, individual property and enterprise, we must conform our words and actions to the principles professed. For we relapse into the mind of the crowd if we mean to profess the principles of individual freedom and responsibility, but in our daily affairs advocate collective action and coercion. And yet, this is the common failure of which we often are guilty.

We aim to be Christian, but sinfully transgress against our fellowmen. We claim to be democratic, but advocate the tyranny of government over the people. We speak of ethics, but act ruthlessly and mercilessly. We pride ourselves in being American, but sneer at the dreams of the Founding Fathers. We call ourselves individualists, but mainly trust in collective action. We conveniently use the label "conservative," but clamor for more laws, and government intervention. In short, we echo the collective tone of mind.

According to Albert Schweitzer's analysis, a few individuals must bring into being a new tone of mind in opposition to the one of the crowd. In lonely existence, often despised and misunderstood, they must rebuild the ethical foundation that can give life to a new civilization. ◈

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HOW TO BE HAPPY FOREVER

STANLEY YANKUS

Some people seek happiness by way of "The Twist." The author of this article has other ideas, developed in part since deciding to remove his family to Australia from Michigan in protest against such things as the government prescribing how much wheat he could grow on his own land to feed to his own chickens.

WHO CAN BE HAPPY in this day and age with newspaper reports constantly shouting the threats of atomic warfare?

Many individuals blame their unhappiness on all sorts of sticks and stones. How often you must have heard remarks like this:

"I couldn't pass the school test because my pen wouldn't work."

"Who could be happy in this ramshackle old place?"

"This weather depresses me."

"How can I be cheerful without fashionable clothes to wear?"

This popular method of finding objects to blame for our misfortune reminds me of a sign in Parramatta, Australia: "A post never hits a car except in self-defense." What a clever way of calling attention to the self-responsibility of individual men and women for their deeds. The following adventure in thought begins with the assumption that happiness is an individual experience growing out of responsible action and the desire to learn.

Most everyone wants to live happily. Our sweat and toil is directed toward this goal. We always wish one another a "Happy New Year," and perhaps think how wonderful if each leaf of the calendar proclaimed, "Today is the

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best day of the year." Instead, reality makes us suspect that unpredictable circumstances have allotted us a double quota of trouble. And still, despite our worries, we desire to be happy.

Are you happy? This is an enigma to most of us. We are reluctant to admit that we don't know; it seems we should. But happiness is an illusive shadow that changes and grows with the man. Uncertain whether happiness is a never-ending pursuit, or something to be found far in the distance, I have often half-jokingly commented: "I am writing a book, *How To Be Happy Forever*. Would you be willing to help me with it?" And the usual response: "I can't help write the book, but I will buy the first copy." The admission generally is that we are quite uncertain what makes for happiness or else we regard the attainment of happiness as an impossibility. As one friend summed it up: "I'll bet you won't have much luck finding an answer."

Not in the Books

How can we be happy forever? It would seem logical to assume that thousands of famous and wise individuals have meditated upon happiness with keen introspection. By examining their revelations in the pages of history and adopting the best of their findings, we should become happy, too. The following fable reveals some of the foolishness found in all of us:

Long, long ago there lived a King who was very unhappy. One day he decided to find the happiest man in his kingdom and buy his shirt. The King believed if he wore the shirt of the happiest man, he would be happy, too. So the King's soldiers searched far and wide for the happiest man. But no one would admit he was truly and completely happy. Just when the search was about to be called off, a happy man was found in a remote village. The King was notified, and he offered to buy the man's shirt at any price. The happy man bowed graciously before the King and said, "I have no shirt."

The moral is clear. Hoping to find happiness by the mere reading of a book that knows all and tells all is a vain impossibility. Trying to buy happiness ends in frustration. If these gates to happiness are shut, what approaches remain open?

Self-improvement is a worthy consideration – the discovery and correction of our own errors. The opposite of error is truth. In seeking the truth, we may well find that happiness is the measure of abandonment of error. To aid in discovering fresh paths to the truth, there are useful guides. To those individuals striving earn-

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estly to increase the happiness of their lives, I offer for consideration five worthy ideals. I believe happiness depends upon their constant review and expansion.

A Worthy Purpose

First, happiness depends upon adopting a worthy purpose in life.

As a young boy in school, I began to wonder what life was all about. First we are born, then through successive stages we grow up a little, go to school, reach maturity, get a job, in most instances get married, have a family, struggle to raise the children, get old ourselves, and finally die.

All of this seemed humdrum – a mechanical routine without rhyme or reason – endlessly repeated by countless men and women through the ages. I searched for explanations: "Is it all necessary? Is there nothing more to look forward to? Does it make a speck of difference whether I'm good or bad, a success or a failure, happy or unhappy?" Without a reason for living, happiness could have no significance.

You may be sure my parents, teachers, and religious instructors told me what to believe. But there were conflicts of opinion among them. And I had doubts of my own, questions which no one could answer to my satisfaction. How could there be a beginning or an end to time, infinite space, or the creation of man and matter?

It took me a long time to discover that these things are "unknowable" – that they are beyond the reach of man. Man did not invent himself, the world, or the universe. There is a mysterious force that transcends the mind of man. Only by developing an intense desire to search for the truth in order to live in harmony with the laws of God's nature have I found a purpose and meaning in the days of my life. Without this approach, I believe the search for happiness is a hopeless task. Unlike any other creature, man alone is endowed by the Creator with an unknowable mind to grapple with the invisible world and fingers to touch the visible material world.

When men fail to discover the spiritual nature of their lives, finding happiness becomes a search for amusement – wine, women, and song. Or else the search descends to the depths of despair and gloom, most vividly expressed by one of the translators of the *Rubaiyat* of Omar Khayyam: "Since it is the fate of man upon this earth to feed his soul on sorrow, he must be accounted happy who departs swiftly from the world, but he most happy who never comes into the world."

Each thoughtful individual ulti-

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mately seeks an answer to the age-old question: "What is thought? Where does it come from?" The mystery in "the word" separates man from the beast. Each thought is born unknowably – an invisible miracle beyond comprehension. This recognition of the spiritual nature of my life has instilled a feeling of awe within me. Happiness requires an awareness of the unknowable. Gazing for the first time at the intricate design of a multicolored foxglove blossom, a visitor from the city exclaimed, "And some people say there is no God!" Dazzled by the material wonders of science, it is very difficult to become aware of the obvious spiritual nature of happiness in our lives.

A Creative Outlook

Second, happiness depends upon the cultivation and development of a creative outlook on life.

One of my acquaintances said he had a question I couldn't answer: "Is fire good or bad?" The first conclusion most of us would reach is that fire is both good and bad. However, a thoughtful man will discover that fire itself is neither good nor bad since it is incapable of moral choice. Moral choice is an attribute of individuals. Fire can be used by men creatively for good purposes and destructively for bad purposes. Arsenic, pins, ropes, electricity, you name it – no object exists which cannot be used either to build or to destroy. The same can be said of such intangibles as laws, thought, and energy. Each individual has the free will to direct his talents into creative or destructive acts.

Happiness eludes the individual who uses his talents destructively. A law of nature cannot be broken with impunity. No one can be forced to be happy. This simple lesson has eluded the father who bemoans his family's ingratitude: "I've done everything to make my children happy, and I can't understand why they don't appreciate it." This parent has done everything except recognize that the happiness of each individual depends upon engaging in and fulfilling some useful productive task. Delegating this part of life to someone else would be like hiring someone to eat for you.

Pleasant friendships and harmonious marriages which provide so much of our happiness don't just happen – they require the best of our efforts. The kindness and love we extend toward others or receive ourselves must of necessity be creative in nature. Fear, hatred, misery are the only dividends that accrue from destructive actions. Cursing people's ignorance and exposing their evil deeds oc-

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curs so frequently because destructive actions are easy. Any oaf can light the fuse of a bomb. Men devoted to the idea of upgrading themselves by creative effort are conscious of the necessity of opposing the destructive actions of misguided men. There is no argument on what to do when a rattlesnake threatens a child. Force used in defense of life, liberty, and property is justifiable when no other choice exists.

However, there is scarcely an individual on this earth who has not committed some destructive act. So what can be done about it? Shall all of us fight with each other? Or is there a better way to solve the problem? No sensible mother would shoot her baby for spilling the milk. The maxim, "Use your head before your hands," emphasizes the value and wisdom of intellectual action. Happiness is the result of our personal growth – the measure of our success in self-improvement. The development of a creative outlook upon life is a propeller that cuts the air without leaving a scar, lifting us to new heights of happiness.

A Daily Struggle

Third, happiness depends upon recognizing the value of a daily struggle.

In my opinion, the greatest single cause of unhappiness in the world is socialistic government contrivances promising gifts pleasantly labeled as benefits, security, subsidies, programs, compensations, endowments, and human rights. These are but the reflections of men seeking to remove the struggle from their lives. A government cannot give gifts unless the taxpayers have the choice of refusing to pay taxes. By definition a gift must be voluntary. A cow in a pasture and milked daily is in the same position as an individual enjoying the blessings of government "gifts."

Suppose that getting something-for-nothing were a possibility. Have you ever observed what happens when wishes come true by the roll of the dice? A farmer in Michigan inherited a farm, debt free – and lost it by indifferent management. Easy come, easy go. What isn't earned, isn't happiness. The next owner of the farm went heavily into debt – and paid off the mortgage and built a new home. In your judgment, which man lived a happier life? Recently an Australian family won a large sum of money through a lottery. Did they live happily ever after? Indeed not. The money attracted kidnapers and they lost their son.

Each of us is familiar with the remark, "All I need is money to be happy." A child thinks, "All I

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need is toys to be happy." But the fulfillment of these wishes never has the fairy tale ending, "And they lived happily ever after." Unlike adults, children are quick to abandon their toys and start making mud pies of their own.

The pursuit of happiness is not attained by success, fame, long life alone. The native Hawaiian language has no word for "weather." Nature reduced the hazards of Hawaii's weather. The struggle was missing and the natives found the weather problem not worth wasting words upon.

The value of life lies in responsibility for self. And the acknowledgement of responsibility is acknowledgement of life's struggle. Many a young bride has been brought to tears when life's challenge has been removed for her by a kind mother-in-law who baked the pies, sewed the buttons on, and cleaned the house. Elderly couples glancing backward through the years of their life consider those years happiest when the struggle of raising a family and paying for a home were the greatest. In His infinite wisdom, the Creator gave man life and a struggle for existence. One's enjoyment of a peanut lies in the work of chewing it. Happiness is the invisible by-product that comes from man's contest with nature from morning to evening, from planting to harvest, from beginning to end. Without a struggle, life is like a bicycle that was manufactured but never scratched or pedaled.

Property

Fourth, happiness depends upon man's right to own property.

Happiness is twice mentioned in the Declaration of Independence, most notably in this instance: "We hold these truths to be self-evident, that all men . . . are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." Some thoughtful men, who hold liberty in high esteem, think the Declaration should have been phrased, "life, liberty, and property" instead.

A discourse on the pursuit of happiness would appear to be more properly a subject for philosophers. Why did hardheaded, two-fisted men fighting for the right to own property insert the subject of happiness into so solemn a document as the Declaration of Independence? The right to own property and the pursuit of happiness are stuck together with waterproof glue. Happiness depends upon the pleasure of roasting frankfurters, enjoying a cold watermelon on a hot summer day, purchasing a gay hat, learning to ride a bicycle, listening to musical recordings, growing a garden of

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flowers, or any one of a multitude of things we strive to achieve – all of which involve the ownership of objects.

None of us could be happy without the right to own what we earn. Even the most zealous socialist could not sustain his life without owning food, clothing, and shelter – except as a slave. The right to own property is indeed an indispensable condition to the pursuit of happiness. Socialistic dreamers proclaim: "The purpose of life is to serve the state – the government." But they are wrong. What is government? Is it a big capitol building or a stack of law books? It is neither. Government is men in possession of force.

Has slavery been abolished when one man serves another against his free will and without wages? The socialistic purpose of life is slavery. Modern socialists have become sly. They know that progressive slavery by taxation for the common good is easier to accomplish because the force is hidden from view. Socialistic schemes which deprive the individual of the right to own property destroy one of man's basic sources of enjoyment. I believe the authors of the Declaration of Independence understood there could be no happiness without the ownership of property – there could only be slavery.

Liberty

Fifth, happiness depends upon liberty.

If happiness were merely an attitude of the mind or an inner contentment, as is commonly believed, it would be possible to reach the pinnacle of happiness in a slave labor camp by declaring with blind faith, "I am going to be happy!" Apparently there is more to a happy life than just that. A recent visitor from India criticized my unfailing belief in liberty as a condition of happiness by saying, "Many people exist in this world who have never known the freedom of Western civilization. People do not miss liberty if they grew up without it."

This is a widespread belief which deserves thoughtful explanation. Turning to my visitor I said, "Let us imagine a man living in a country whose citizens had the least amount of freedom in the whole world. Suppose this man wanted to plant a potato, or feed his hen some wheat, or visit a friend, or go to church, or read a newspaper, or fulfill any one of a hundred desires that make life worth living. And suppose someone with government authority forbid him to do so. Do you really believe this man would be truly happy?" My visitor grudgingly agreed that happiness under these conditions was unlikely.

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Even the liberty to make mistakes – to burn our fingers – is important. It provides us with the opportunity to gather wisdom and education in the school of life that is unobtainable in any other way. A sense of humor – the reflection of happiness – often stems from the liberty to make silly mistakes. Smiles and laughter are noticeably absent from an enslaved people. Some men erringly think they will find happiness in controlling and planning the lives of others. But where is the person who finds happiness in being controlled? That is a question socialists evade.

What is the most effective way to make people unhappy? Observe the commonly approved methods of punishment. Children who misbehave are usually deprived of certain liberties and privileges by their parents and teachers. Auto drivers charged with infractions of traffic rules dread the loss of their driver's license more than they do the money fines. Criminals in jail are secure in food, clothing, and shelter. Only liberty is missing. Therefore, if loss of liberty is unhappiness, it follows that liberty is an indispensable condition of happiness.

The Creator endowed each of us with life and the free will to choose our own pursuit of happiness. But search as one will, he will never find the right to control the lives of other men that wasn't based on the idea of force—a punch in the nose and a gun in the ribs.

A Personal Problem

I do not know how to make you happy forever; neither do you know how to make me happy forever. This is not merely an admission of ignorance. This is the essence of liberty and a guide to happiness. It is a realization that we can make people unhappy by interfering with their lives. Not guilty, you say! Have you ever had the urge to reform someone, thinking you know all the answers to happiness? What makes you so sure you are right? Can you honestly say that anyone has ruined your enjoyment of life by trying to force their ideas of happiness upon you?

I heard an excellent salesman advise, "Keep Smiling!" Is this good or bad advice? What if I don't feel like smiling? A dozen occasions come to mind when smiling would be in bad taste. "Minding your own business" is the hardest business to learn and practice. If it were an accepted concept, there would be no laws regulating agriculture, prices, wages, and so on through the gamut of moral, individual decisions which lie within the concepts of the Decalogue. The Creator designed us without using the same pattern

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twice. Discovering "why" we are different is unknowable; but knowing that we are different is a valuable fragment of truth. Each person has his own pattern for happiness, too. To think otherwise is to pass judgment on the Creator. If you still believe "keep smiling" is good advice, there is nothing to prevent your giving a smile, and you will receive with each giving. Forcing your ideas on others will only make you a tyrant and make others unhappy.

Happiness is not the exclusive possession of the young or the old, the strong or the handicapped, the beautiful or the homely. Your own observation will verify that happy people exist with all combinations of these natural endowments. The happiness we find in life is a measure of our wisdom, and keeps pace with every advance in self-improvement. To me, happiness comes in satisfaction with the course of life I have been following at the moment. Unhappiness is the poverty of men who lack true purpose in their lives. ◈

COMPETITION AND CHOICE

DEAN RUSSELL

FOR SEVERAL YEARS NOW, a competitor of General Motors has gained national attention by claiming we would all be better off if that giant company were broken up by our government. His plan has been endorsed by several important people, including an influential senator who spends much of his time devising ways and means to accomplish the objective.

Apparently, many millions of sincere Americans are quite willing to accept the "unselfish" efforts of those gentlemen to save us from the clutches of the world's largest industrial corporation. But before you and I join them, perhaps we should think a bit more deeply into this issue of bigness and the resulting power that General Motors has over us.

Dr. Russell is Professor of Economics at Rockford College and Chairman of the Department of Economics and Business Administration. This article is from his column of February 4, 1962, in the *Rockford* [Illinois] *Morning Star*.

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As far as I know, there is not even one person in the entire United States who has to buy anything from General Motors. If GM were closed down tomorrow, there would be only a temporary shortage of cars; for even that unselfish competitor who wants the government to break up General Motors would be happy indeed to double his own production. And so would the 12 other domestic producers of automotive vehicles. And, of course, all foreign producers would like nothing better than to triple their shipments of cars to the U.S. Similar sources of both domestic and foreign supply also exist for diesel locomotives and the various other products now sold by General Motors.

There is only one reason you now buy any product. You think you are getting the most for your money. Otherwise, obviously, you wouldn't buy it. Thus the only thing the senator and the GM competitor wish to save you from is your freedom to patronize whomever you choose.

When we consumers voluntarily choose to buy most of our cars from one company, that company necessarily becomes the largest in the industry. We consumers make that decision when we buy the cars. And the more we buy, the bigger that company will grow. The only way the government can stop that is to tell you and me we can't buy from whom we choose. That's what breaking up General Motors means – depriving you and me of freedom to buy what we please from whom we choose and in whatever amounts we can afford.

I do not know nor care why you think a Chevrolet (or whatever) is a good bargain; that's your business, not mine. Personally, I prefer my little non-GM car. My sole concern here is that both of us shall continue to have absolute freedom of choice in the matter.

Choice in the Market

There can be no freedom of choice, however, except in a free market. For if producers can't produce what they please – and if you and I can't patronize whom we choose – obviously we have all been deprived of freedom of choice. I am astounded at the number of intelligent people who can't understand that simple truism. When you get right down to it, there are only two ways we can ever be deprived of freedom. And both of them involve government in one way or another – either positively by laws against freedom of choice, or negatively by the government's refusal to stop gangsters who interfere with our freedom to choose.

If we consumers think General

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Motors is too big, too inefficient, or too anything else, we can easily change the situation. All we need do is stop buying GM products. Then the world's largest industrial company will go out of business within 90 days – and we will still have all the cars, trucks, finance companies, and locomotives we want.

That giant corporation has no control over you and me in any way. It can't force us to buy anything. The secret of General Motors' "power" is its remarkable ability to produce what we fickle consumers most want to buy. A decision to stop that would be the perfect example of cutting off one's nose to spite one's face.

In 1911, and again in 1920, powerful General Motors ceased to be the people's choice. In both instances, it almost went bankrupt. Only by reorganizing, bringing in new management, and borrowing large amounts of capital did it manage to stay in business.

Meanwhile, Ford Motor Company had more than 60 per cent of the entire automobile market. And "Old Henry" was doing everything he could to get it all. Since the American people happily bought his "rough and ready" Model-T's by the millions, naturally his company became the largest in the industry. Then something happened – we ungrateful consumers began buying Chevrolets and Overlands. And we willingly paid double the price of a Model-T to get those enclosed cars with a new type of gear shift and a self-starter. In due course, Ford Motor Company closed down – and stayed closed until its engineers could produce a car we consumers wanted.

That's the free market and progress. That's also freedom. And if you and I permit that senator and that GM competitor to "save" us from it, we will no longer be free to choose. We will lose the most effective and beneficial control ever devised – our right to determine with our purchases which company shall grow large and which shall fail. The government will then decide for us. And that, of course, is the opposite of freedom. ◈

IDEAS ON LIBERTY

Cervantes

NEVER stand begging for that which you have the power to earn.

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MELVIN D. BARGER

The Principle of the Thing

SOMEWHERE in New York City there is a young teen-age boy to whom, by the bad logic of our times, I owe a quarter. The debt has lingered now for almost a year, and probably won't be paid. One reason: I wouldn't recognize him, for it was twilight and I got only a few fleeting glimpses of his face. Another: he was quite angry at the moment when I did get a good look at him, so under normal conditions this would make recognition doubly hard. A third consideration: by my own logic – good, I hope – the debt doesn't exist.

It was an extraordinary and startling occurrence. I had stopped my car at a Tenth Avenue intersection, close by the Lincoln Tunnel exit into Manhattan. Seemingly appearing out of nowhere, this young teen-age boy all but vaulted onto the hood of my car and started wiping the windshield. For a moment I sat there in amazement at this unsolicited good deed. Then I realized that my young benefactor was actually giving this service for a tip of some sort; and since the traffic light changes occurred rapidly, he could not be expected to do anything approaching a thorough job. Yet, unless this was the first attempt at an unproven venture, experience had no doubt shown him that many motorists would toss out a coin or two upon driving away.

The youngster probably expected only a quarter, but I balked at giving it. There was something wrong with this operation in principle; and at the risk of being an irascible who shatters the dreams

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of youth, I stuck my reactionary head out the window and barked: "Look, son, I would just as soon you wouldn't do that. You shouldn't clean a man's windshield out here on the street, and not unless he wants it done. Now I didn't ask you to do this."

I realized immediately that there are times when you're always wrong. The young entrepreneur, obviously and understandably hurt, climbed off my car and snapped: "Well, I'm trying to earn money in an honest way! That's better than stealing, ain't it?" There was a great deal of indignation in his voice, as if he were somewhat unable to believe that the twentieth century still accommodates some medieval minds who don't understand the economic pressures working on juveniles.

Grateful for the anonymity of the twilight, I drove quickly away at the light change, feeling the youngster's reproach stinging at my shoulder blades. I felt a little like the man who has inadvertently stepped on a child's sand castle, but is then incapable of repairing it. For I had read much about the problems of juvenile delinquency in New York City, and I had to admit that there must be much in favor of a youth who is willing to work instead of steal. The principle I was trying to defend seemed rather shabby and selfish under the circumstances. It was simply that a man should always have a voluntary choice in the spending of his money. He should not have to pay for a service unless he has contracted for it, or has acquired an obligation through due process of law. I had not contracted for the young boy's windshield wiping services.

Now up until then I did not even know that this was one of my principles. It was, but I just did not have a way of stating it. The nameless young entrepreneur had helped me to realize just what it was myself.

Still, it would have been easy to flip him a coin or two as I drove away. This would have seemed to be the humanitarian thing; it would have been the gesture of the "good sport." And it wouldn't have been at all expensive! My reluctance to do so must have been the tired old feeling that we used to call "the principle of the thing."

Under Obligation

It should be clear that the youngster was indulging in a somewhat disguised form of begging. Of course, there is probably nothing morally wrong in begging, though the law frowns on it in most cities. Beggars are at least honest in that they don't pretend to offer a service in re-

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turn for what you give them. They are soliciting a handout, pure and simple. They do not attempt to put you under some kind of an obligation.

Here, I was apparently being put under a double obligation. (1) It was being implied that I should provide a gratuity for the unwanted service. (2) It was also being implied that as a citizen I had some kind of an obligation to subsidize a youth "who did not steal." In other words, I was being told that I was getting a chance to "reward virtue and to do something about the juvenile delinquency problem." If a federal planner had been on the scene, he might have supplemented the young man's retort by warning me that if I, the private sector, didn't help this young man solve his problems, pretty soon the federal government would have to take action.

For much has happened during the year since this took place. There has been renewed emphasis on programs spawned by the dogmas called "environmentalism" and "economic determinism." Congressmen have proposed multimillion dollar programs to combat juvenile delinquency. A multibillion dollar effort called Alliance for Progress is underway in Latin America to stop the tide of communism. There is a high-powered movement in progress to pour federal funds into the public education program. These programs all accept the basic premise that everybody's problems have an economic origin; hence, liberal doses of money will solve them.

Everyone Is Responsible— Except Individuals!

The root of the problem lies, in fact, in the acceptance of these dogmas as being true. If a man is the helpless product of the economic conditions into which he is born, does this not relieve him of all personal responsibility for the outcome of his life? Can he not shift the blame to others who allegedly denied him what it would have taken to turn his life into better channels? Is he not encouraged to abandon the often strenuous attempts individuals have to make for their own moral and mental betterment? Finally, we arrive at a point where nobody is responsible for anything, and the only malefactors or ne'er-do-wells are those who still cling to the "ideas of the past."

I'm sure that by now the New York Police Department has discovered the young boy's activities and put a stop to them — but for safety reasons, not moral ones. The greater damage is that dozens of passing drivers were themselves so susceptible to this mild extortion that they yielded to it, there-

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by reinforcing both in themselves and in the boy the hazy notion that token, unsolicited effort deserves automatic reward. These persons were, in fact, far guiltier than he, for if they had refused, one by one, to deliver their contributions, the boy soon would have declared bankruptcy and "closed out the business." He would have learned that there was no real market for this kind of service.

Why didn't they, then, since many of them must have felt annoyed by the intrusion? My answer is only a hunch, but I suspect that most of them *hated to appear as poor sports, and also had blurred notions themselves about correct principles of economic exchange.* Failing to recognize that it sometimes takes as much courage to be temporarily cast in the role of a "poor sport" as it does to face actual physical danger, they were willing to subsidize a shakedown operation rather than to stand firmly on principle. It is possible that they also rationalized it by convincing themselves they were "helping the boy out," when in fact they were supporting his indolence.

The problem of what to do about the boy remains, as does the entire mounting problem of juvenile rootlessness. I suspect that he was indeed a pathetic victim – a victim of a loveless and/or broken home with little training and no moral instruction, the kind of a home the economic determinists point to when they demand more funds for social rehabilitation programs. This is a serious matter; and I must never believe that because the boy's services weren't worth my paltry quarters, I am therefore absolved of any human interest in the outcome of his life. In his remarkable sermon entitled "The Greatest Thing in the World," the missionary, Henry Drummond, pointed out that there is little real social concern in handing out coins on the street, but that our real goal should be in seeking a higher social concern for the redemption of others:

"It is a very easy thing to toss a copper to a beggar on the street; it is generally an easier thing than not to do it. Yet love is just as often in the withholding. We purchase relief from the sympathetic feelings roused by the spectacle of misery, at the copper's cost. It is too cheap – too cheap for us, and often too dear for the beggar. If we really loved him, we would either do more for him, or less."

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Don't Give Till It Hurts—

SOMEONE ELSE

SAMUEL A. SICILIANO

FOR THE CONVENIENCE of patrons, authorities of our local post office installed a curbside mailbox outside the entrance.

When walking by this sidewalk mail drop the other day, I noted a car pulling up and stopping. The young mother at the wheel handed a letter to her small son standing in all of his three or four years on the seat beside her, then reached across the seat, wound down the window, and gave the boy permission to drop the letter down the chute.

Thinking to help the little fellow who was having difficulty reaching the chute through the window, I stepped to the curb, held out my hand, and indicated that I would be happy to relieve him of his task.

Small frown wrinkles creased his forehead and, grasping the letter more tightly, he turned to his mother for guidance.

"Thank you for your offer, sir," she said, "but I think Billy can manage."

With that she smiled at Billy. Returning her smile, the boy proceeded, with more than a little straining and struggling, to reach the slot and drop the letter into the box.

Another smile between them and they were gone.

I must confess that I had a momentary feeling of embarrassment and – to be quite frank – a mite of pique. After all, I had merely reached out a helping hand and it was refused. Oh, it was refused politely. But still and all, it wasn't as though I had taken something away. I was offering to give.

But was I really? Giving, I mean. As I walked slowly away from the mailbox, my mind dwelled upon my feelings and my reasons and, I am thankful to say, it also dwelled upon the feelings and reasons which must have been in the minds of Billy and his mother.

What if they had accepted my offer? I had to admit that if they had, I would have been taking something from them. First, I would have been depriving Billy of accomplishment; and, secondly, I would have been depriving his mother of an opportunity to teach

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her son a very valuable lesson in self-reliance.

Aren't we sometimes too prone to offer our helping hands? Don't we sometimes have a tendency to rush "to the rescue" before there is actually a need for our service?

It is particularly so in our relations with the young. Just as I was so quick to run to the aid of little Billy, so do others hurry forward to set Suzy back on her feet after she trips before letting her try and get up herself; offer quickly to help Henry with his homework rather than let him puzzle it out for himself; reach hurriedly into the bank account to buy Mary or Jim that dress or bicycle instead of letting them follow their instincts to do something to earn their price.

And, by so doing, don't we take something away from them?

Allow Suzy to lift herself after a fall and note her smile of pride. See the bright eye of accomplishment which Henry lets shine when he makes a good grade on work he did all by himself. Note the loving care Mary gives the dress she earned herself, Jim's high-held head as he shows off the bike he purchased with his own money.

We are being selfish when our hand reaches out before it is wanted. For a moment's satisfaction to ourselves, that brief moment when we look within and offer self-congratulations because we "did something for somebody," we deprive him to whom we gave of another in the many steps he must take on the road to *his* self-reliance.

It isn't fair. As he adds years, he will also add problems which he and he alone can solve. The more knowledge he gains, the more self-confidence he gains, the easier it will be for him to reach those solutions.

We hear much today of the inability of many to cope with those dips and crevices in the path of an orderly life. We hear a great deal of the growing dependence of the many upon the few, of the increasing numbers taking up residence in what they hope will be the welfare state. If the truth could be determined, we would probably find that this problem began to grow at the very time those who are older decided to *lead* those who are younger rather than *guide* them.

Parents from time immemorial have said, and rightly so, "I will see to it that my children have the things I never had." But the true meaning of that declaration should be for parents, by way of exemplary conduct and of respect for right principles, to give their children the tools to help them more easily earn the things the parents never had. ◈

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THE ROLE OF THE SECURITIES MARKET

ANTHONY M. REINACH

IN ORDER FOR MAN to raise his level of living, he must both save and use part of his savings to finance the accretion of business' tools of production. To finance means to provide capital through lending or investing. When man finances the accretion of tools of production, he is supplying business with the means to produce more economically and more abundantly. A financier is a nourisher of business and thereby a stimulator of production.

Consuming never generates tools of production, nor does hoarding. This does not mean there should be a stigma attached to hoarding. Man hoards when he thinks hoarding will afford him greater satisfaction than consuming, lending, or investing.

Lending sometimes generates tools of production. Loans to individuals are usually consumed. Loans to businesses usually generate tools of production. Loans to governments occasionally generate tools of production. Deposits in banks or savings and loan associations are actually loans to them. Loans to banks or savings and loan associations are in turn loaned by them to businesses, governments, and individuals and generate tools of production to the extent that these borrowers employ their loans for that purpose.

Investing almost always generates tools of production. This does not mean that all investing is productive. In order for tools to be productive, they must produce what is in effective demand with sufficient economy to afford their investors or owners a profit, or promise of a future profit, to an extent that will encourage present

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Mr. Reinach is President of Venture Options, Inc., a Put & Call writing company. This article is an excerpt from his book, *The Nature of Puts & Calls*, New York: The Bookmailer, 1961. $2.00.

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investors or owners to remain as such, or to an extent that will encourage new investors or owners to replace those who want out.

Financing New Business

When you invest your savings by beginning a business of your own, by purchasing a business already in existence, by purchasing newly issued shares of stock of a corporate enterprise being started by others, or by purchasing newly issued shares of stock of a corporate enterprise already in existence, it is pretty easy to visualize the financing job your savings accomplish. When you purchase the already outstanding shares of stock of a going company, however, it becomes considerably more difficult to connect your savings with the new or improved tools of production your savings generate. You purchase 100 shares of General Motors. Your savings do not go to the General Motors Corporation. They simply go to some person who sold the 100 shares you bought.

What you may overlook, however, can be perceived every business day in the financial sections of the country's leading newspapers. Every day some American companies seek financing to improve their production facilities. In the *Wall Street Journal* of June 29, 1961, advertisements appeared concerning the financings of the following companies: The Southwestern States Telephone Company, Northeastern Water Company, United Aircraft Corporation, Special Metals, Inc., Rockower Brothers, Inc., Empire Fund, Inc., Hunt Foods and Industries, Inc., and Morris Shell Homes, Inc. And there were undoubtedly other financings that day that were not advertised.

Let's now return to the person who sells the 100 GM you purchase. Perhaps he sells his shares to purchase one of the new issues. In this event, your purchase is only one step away from being a direct financing. Or perhaps he sells his shares to invest in some already outstanding shares of a steel company, but the man who disposes of his steel shares does so to purchase one of the aforementioned new issues. In this event, your purchase is two steps away from being a direct financing. Or perhaps ten or twelve transactions have to be traced to locate the financing that your routine purchase helps to make possible. This is usually the case, which is partly the reason that many investors do not appreciate the productive achievements their savings accomplish when invested.

Now let's suppose that the person who sells you his GM stock uses the proceeds for a vacation

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in Europe. In this event, your purchase replaces savings withdrawn from the capital equity market. If you refrain from investing your savings, and our traveler withdraws his savings from the market, funds to purchase the traveler's stock will have to be diverted somewhere from direct financing, thus contributing to the delay or failure of some borderline proposition.

The preceding paragraph should answer, by implication, most of the "What would happen if?" questions. The vital point to remember is that an effect can be traced to every purchase or sale of stock. Your sale of stock or refusal to invest will not, of course, affect those financings which are eagerly sought, or even unexciting routine financings. But your sale of stock or refusal to invest must, if only nominally, adversely affect the financing of marginal enterprises – the future General Motors and IBM's.

Three Prime Functions

The role of the securities market should now begin to evidence itself. A securities market has three principal functions to which all others are subservient:

1. Initially, a securities market is created to help finance growing, or sometimes new, corporations. A securities market finances directly when its principals or members invest or lend their own funds. Because this source of funds is obviously limited, customers must inevitably be recruited to participate in financing operations.

2. The second important function of a securities market meshes with the first. A securities market, while providing industry with new capital, must simultaneously help investors and lenders to locate securities which meet their objectives.

3. The third function of a securities market is as crucially important as the first two, though rarely as appreciated. A securities market provides liquidity, to varying degrees, for the securities traded within its domain. Full liquidity would mean ready saleability or purchasability of any reasonable quantity of a particular security at or near its latest current market price. Full liquidity is rarely achieved. All securities contain degrees of liquidity. American Telephone and Telegraph enjoys a high degree of liquidity. Most over-the-counter stocks do not.

Liquidity is the most overlooked attribute of the market place. Where liquidity is present to a large degree, buyers and sellers do not materially suffer from the price differentials between the bid

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prices and the asked prices, and trade is accordingly brisk. Where liquidity is largely absent, buyers and sellers suffer from the price spreads, and trade is accordingly dull. The secondhand automobile market is quite liquid. Car owners of even modest means can enjoy the luxury of periodic taste changes. The secondhand furniture market lacks liquidity. Only the wealthy can afford the luxury of periodic furniture taste changes.

Because liquidity is important to investors who value the knowledge that they can easily dispose of their commitments at or near their latest current market prices, only those corporations whose issues have a satisfactory degree of liquidity can get added financing economically. The aggressive purchasing of a company's already outstanding securities will significantly advertise the fact that new issues of that company will be well received. During the past decade, AT & T has encountered no difficulty attracting the capital it required to bring telephones to virtually every family in the United States. During the past decade, AT & T has been aggressively traded and purchased.

Ultimately, liquidity is made possible by traders, speculators, scalpers, or whatever you wish to term them. A trader makes profits by correcting price distortions. The profit a trader makes precisely matches the quantitative extent of the net distortions he corrects. The more successful a trader is, the more future liquidity he will be able to provide for the markets in which he functions. ◈

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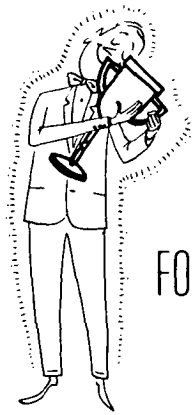
SUCCESS FOR ALL



THE TITLE of the Broadway hit – "How To Succeed in Business Without Really Trying" – certainly has a tempting sound to it. And it has evident appeal to a great many people in Washington who are trying to make success a snap for all sorts of businessmen.

To be sure, agreement with the general principle of competition is commonly met within the federal government's bureaus and agencies. But much more conspicuous is an intense official distaste for the rigors of competition, and a desire to prop up those rebuffed in the marketplace.

The government's supporting hand is everywhere. Perhaps it is most apparent among those whose business happens to be farming. Their unsalable crops are grown for government warehouses. The ideal is most nearly approached when the government pays the farmer for not farming, which is literally succeeding without trying.

Among others for whom the government tries to guarantee a sure thing are miners of subsidized metals, real estate speculators awarded "urban renewal" bargains, small businessmen who have their own special agency to bail them out, and those whose business is unionism; what better assurance of success than a legal monopoly?

Within the marketplace itself, the federal presence is overbearing. Some regulations to preserve competition are necessary, but they have been allowed to go too far. A thicket of laws and directives often ensnares the pacesetter.

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If, for example, a businessman cannot match his more efficient competitor's price, Washington may oblige by attacking it as "unreasonably low."

Frequently the federal regulators leap at the shadow of suspected injury, and the too-successful competitor must bear the expense of disproving the conjecture. Sometimes the assault is against "bigness," per se, to which arbitrary challenge there is no sure defense. Or an intensely competitive industry, such as drug-making, may be pressured to make its discoveries available to all. Thus the government's idea of fair play is shared "success" for the competitive and the noncompetitive alike, with Washington deciding who shall have what share.

All this, of course, is agreeable to some who would otherwise lag behind and perhaps be forced out of business. And it may seem to sentimentalists that the government's approach shows a nice impartiality. Why not share and share alike?

Because this is the seventeenth century mercantilist outlook in modern dress, the formula for the static society. Men forged ahead when they discarded the state-directed economy and realized that the essence of progress is competition, giving free play to the buyer's partiality toward whatever he pleases, including the better or less costly answer to his needs and desires. The more alternatives, the better served are all.

Of course, we have not gone all the way down the mercantilist road. There is still an abundance of competing alternatives. Innovation in response to changing public tastes is as plain as the array of new sizes in automobiles, as dazzling as the crowded shelves at the supermarket. Daring and imagination are at work all around us.

Yet the progress we see is only a part of what could be. It is made because men instinctively strive, today as in centuries past, to overcome obstacles the state places in the path of free competition. And as we watch these obstacles grow, we ought to remember that what is impeded is not simply the individual's success, but the success of our free society. ◈

IDEAS ON LIBERTY

Anonymous

WHEN LITTLE MEN begin to cast long shadows, the sun is setting on a civilization.

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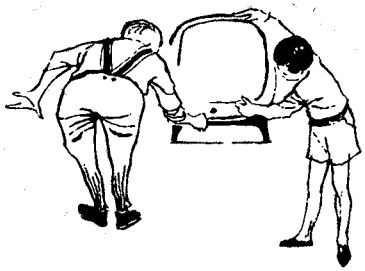


EFFORTLESS PROSPERITY

or — FRUITS OF LIBERAL UNEMPLOYMENT COMPENSATION

It was a bright and sunny day
When spring was in the air.
Old Kaspar checked his fishing gear
And settled in his chair,
While Peterkin and Wilhelmine
Looked at the futurama screen.

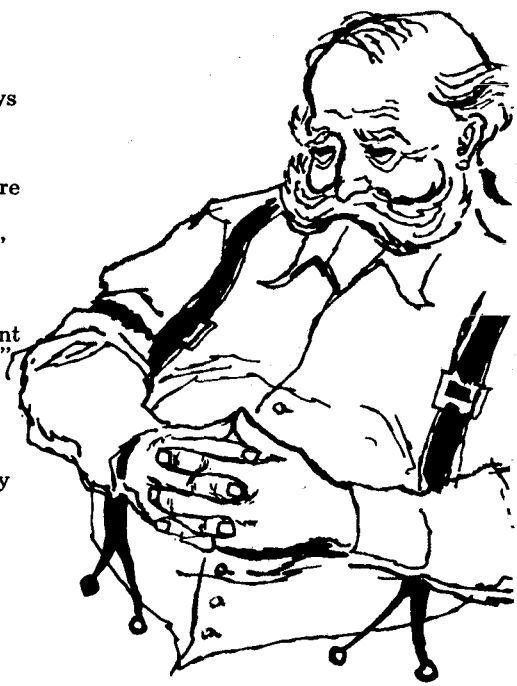
They saw a street where men and boys
Were dancing round and round,
With boisterous shouts and hats in air
And cartwheels on the ground,
While others romped around the square
Disturbing people standing there.

"They must have won a baseball game,"
Said little Peterkin.
"They've beaten economic fate,"
Said Kaspar with a grin;
"And now they're gathered here to flaunt
Their freedom from both toil and want."

"The common economic fate,
Since Adam fell from grace,
Has been to live by toil and sweat
In field or market place;
But now these men have found the key
To effortless prosperity."

"What is the key," cried Peterkin,
"And could we use it, too?"
"They get their leisure," Kaspar said,
"From what the unions do.
They set their labor price so high
That no one can afford to buy."

"What use is all that leisure time
Without a cent of pay?"
"They don't need wages," Kaspar smiled,
"To pay their bills today.
They get the cash to fill their pokes
From taxes laid on other folks."



H. P. B. JENKINS
Economist, Fayetteville, Arkansas

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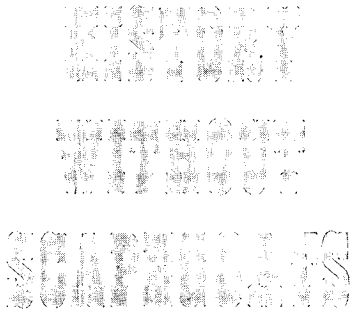

THE DEITY, in our secular age, receives all too little homage, but we can't get along without our Lucifers. Not so long ago Lucifer bore the name and visage of Joe McCarthy; today, he assumes a multiple shape in the membership of the John Birch Society. And, projected back into the nineteenth century, he has masqueraded in many other forms, chief of which was the Robber Baron.

The concept of the Robber Baron makes history easy to explain. But was the Robber Baron, aside from a few quite untypical market operators of the stripe of Jay Gould, ever a reality? Reacting from the extreme interpretations which followed in the wake of Gustavus Myer's *History of the Great American Fortunes,* a school of historians has arisen to argue that the Robber Baron, though a selfish grabber, had his good side. He may have destroyed his competitors, but he gave the public cheap kerosene. He may have stolen the public domain, but he built railroads across the plains.

In short, as Stewart Holbrook and other recent historians would have it, there is a study that should be known as the social uses of demons. But if the demons were good for society, what, really, is the use of the muckraking historian? In invoking the figure of Lucifer to explain everything, even incidental benefits, isn't the muckraking historian merely making an empty obeisance to an equally empty convention?

Disdaining the acceptance of any stereotype that would make use of demonology of any sort, Professor Edward C. Kirkland has chosen to build his *Industry Comes of Age: Business, Labor, and Public Policy, 1860-1897* (Holt, Rinehart and Winston, $10) out of a fresh look at what men actually did and said in the post-

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Civil War period. The result, to say the least, is startling. We had known all along that, despite the strictures of Vernon Parrington and the early Charles Beard, the so-called Gilded Age was a time of great vitality. But Professor Kirkland's treatment of the era of the "great barbecue" is so absolutely fair-minded that even the most classic of our business scandals seem hardly scandalous at all when he is finished with explaining all the circumstances.

Credit Mobilier

There was, for example, the Credit Mobilier scandal. Virtually every history, even those that have been written by individuals not overly impressed by the Robber Baron thesis, has accepted the Credit Mobilier company as a whipping boy. This construction company, hired to build the Union Pacific railroad, was a false front for the chief stockholders and officials of the Union Pacific itself. Standing on two sides of the bargain, the stockholders and officials chose to reward themselves handsomely out of a public subsidy for building their own railroad.

So, at least, runs the standard tale of Credit Mobilier. But Professor Kirkland insists on viewing the whole operation from the standpoint of a most uncertain time, when railroading represented a great risk. When the participants in the Credit Mobilier took Union Pacific bonds at progressive discounts and received Union Pacific stock as a throw-in, they had no assurance that their venture would ever succeed.

The territory through which the Credit Mobilier proposed to build was a howling wilderness, populated by fierce Indians who followed the buffalo. The price of iron rails was high; wood for crossties had to be packed in from eastern forest lands that were far away. There was no way of calculating gains in advance, no assurance that the railroad could originate any ponderable amount of freight in the region that stretched between Salt Lake City and Omaha. The Credit Mobilier participants sought a profit of 25 per cent on the cost of construction, which was not out of line in a period in which capital was hard to come by. But if the Indians had been just a trifle more hostile, the 25 per cent spread would not have gotten the Union Pacific owners a railroad.

As for the stock bonus, it only seems great in retrospect, because the railroad turned out to be a success. Giving the back of his hand to the scandalmongers, Professor Kirkland sums it up by saying that "the financiers took

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awesome risks, which were lessened by a construction company, limiting the liability of stockholders for debts. No wonder the device built all the transcontinentals . . . in the end the Credit Mobilier successfully completed a road through unknown territory." This was glory enough, even though the construction company "device" could not be defended at a later date, when a less speculative approach to railroad financing prevailed.

Railroad Rates

In his section on railroad rate-making, Professor Kirkland steers judiciously between the claims and counter-claims of railroad spokesmen and Granger and Populist critics. Though they represented a "natural monopoly," the railroads were, actually, exceedingly competitive with each other until the period of consolidation and "community of interest" got under way in the nineties. To stop what they called cutthroat competition, the railroads tried freight pools, only to discover that "cheating" could not be eradicated. Agreements to share the traffic and the profits could not be enforced by law, even in pre-Sherman Antitrust Act days. So railroad rates were never extortionate, save in isolated patches that were not served by competing lines or by water transport. Professor Kirkland, in another succinct summation, says: "Amid all the buffetings of competition and attempts to flee from it, amid railroad strategy of acquisition and integration, rates went down. *This was the primary fact through all the period.*" (The italics are ours.)

The Company Town

Professor Kirkland does not plump for a return to the days of the company town. But he notes that in many industrial communities of the nineteenth century, the need for houses provoked "company" villages as "the inevitable prelude to employment." Says Professor Kirkland, there was a vast difference between the "unpainted wooden houses struggling up the barren hillside of a coal town and Pullman, with its buildings of 'advanced secular Gothic' along tree-shaded streets, and with the largest houses equipped with bathrooms." The owners of company housing did not ordinarily seek to make a profit on rents — in the town of Pullman, for example, the rents were "about three-fifths what they were" in nearby Chicago, and in New England cities of the Lowell type, "quarters outside company housing cost two or three times the figure set by the corporations."

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In the light of such figures, Professor Kirkland feels bound to say that "the charge that company housing exploited workers is largely baseless." The bad feature of the company housing project was that leases could be terminated on short notice. This meant that in the case of a strike or lockout, "loss of job meant loss of home."

The Company Store

Professor Kirkland is much harder on the company stores of the nineteenth century than he is on the company houses. The mark-up in such stores was often unconscionable, and the goods were sometimes shoddy. The justification for the company store, with its "scrip" money, was that the employer did not always have cash available to give to his workers on pay day. But this does not excuse high mark-ups on the goods that were offered in exchange for scrip. Just why the nineteenth century employer should have been less decent in the matter of providing groceries than he was in the matter of satisfying his workers with living quarters may seem something of a mystery. Professor Kirkland explains it by observing that housing was a "recruiting device," where the company store sought to recapture the wages of men who had already been recruited.

Labor historians have stressed the "class war" aspects of the late nineteenth century. But, despite the periodic eruptions of violence at "bloody Homestead" and at the company town of Pullman and elsewhere, only a handful of socialists and anarchists believed in class war. Professor Kirkland argues that the failure of union organizers in the late nineteenth century was largely due to the indifference of the American working man, not to his fear of "Pinkerton men" or professional strikebreakers. The working man, living in a hopeful society, did not regard himself as a member of a "group apart from the community with no responsibility for the common welfare." He knew that real wages were advancing every time a price was cut. Says Professor Kirkland, in a sentence that might serve as a definitive justification for the whole "robber baron" period: "The index of money hourly wages for men in all industries practically doubled between 1860 and 1890; it shrank a bit in the mid-nineties. Since the index of commodity prices fell rapidly after 1865, the purchasing power of wages, real wages, often attained a spectacular improvement." ◈

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▸ A NEW APPROACH TO INDUSTRIAL ECONOMICS by James F. Lincoln. New York: Devin-Adair Company, $3.50.

Reviewed by Neil M. Clark

JAMES F. LINCOLN, chairman of the fabulous Lincoln Electric Company, has, at 82, written a book outlining his revolutionary industrial philosophy, his two earlier books being devoted to the use of incentive as a management tool. In the book under review, he presents a blueprint for industrial operations which discards factors that limit growth and encourages a break-through to new levels of progress.

Workers and visitors entering the Lincoln plant in Cleveland see in eye-catching white metal letters the following phrase from de Lamartine: *The actual is limited, the possible is immense.* This has been a guide for Jim Lincoln ever since he assumed management of a little electric motor manufacturing plant founded in 1895 by his older brother. His management philosophy, however, did not come full-blown. It was worked out to meet practical business problems.

As captain of his Ohio State football team, Lincoln had observed that star players alone did not make a great team; but when every player put everything he had into every play, some rather mediocre teams turned in spectacular performances. In business, Lincoln personally wanted to "win." He met serious obstacles. Many workers dragged their feet. Their disinterestedness often worked against company success. He did not let himself think this was due to the innate cussedness of workers. Instead, he concluded that their attitudes naturally followed faulty leadership attitudes. Management, he decided, was not doing its job.

Improving this in his own company took years. Results, however, proved startling. The company became, and remains, a world leader in its field. Lincoln workers today, man for man, are among the highest-paid industrial workers anywhere, not because of a paternal management attitude but because management enables them to earn what they get and keep what they earn. No limit is set on any Lincoln man's earnings. This has sparked constant product and cost improvements. Benefits go to consumers. Prices for Lincoln products have steadily declined over the years despite a general upward price drift. There are no secrets about how it is done; Mr. Lincoln has beat the drum for his methods. In this book he goes further and explains the philosophy of industrial economics which his experience has taught him.

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Lincoln holds that sound management rests on the Christian ethic and the Golden Rule. He holds that serving consumers with better products at lower prices is the proper primary objective. He holds that this can be achieved in a given plant only when everyone there is fully rewarded for developing his inherent capabilities. "Few managers," says Lincoln, "give serious attention to the development of a man, particularly of a wage earner who does manual work." Yet "the possibilities of man through development are almost limitless." Individuals even in the humblest jobs have demonstrated this time after time in Lincoln practice.

Mr. Lincoln has written a bold book, with vision. He lambastes managers for faulty leadership. But he also shows how they can make "the possible" in America as "immense" as he is certain it can be. ◈

▸ BUY NOW – PAY LATER by Hillel Black. William Morrow and Company. 240 pp. $3.95.

Reviewed by Robert M. Thornton

THE THESIS of this book, in Mr. Black's own words, is that the American consumer "who buys on credit is often being abused and deceived and in some instances outrageously swindled." As a warning to the credit buyer and an indictment of the undesirable members of the business community it is a praiseworthy and readable effort, for the author is unsparing in his accounts of sharp business practices that might be legal but are hardly ethical. This book will have a sobering effect on any discriminating reader who is or ever has been heavily in debt; and it may help stir those Mr. Black calls "debt merchants" to straighten up their own house.

The chief criticisms of this book have to do not with what the author says, but with what he fails to say. He repeats that "too many people are *being sold* more debt than they can afford," but he never says, as he might with equal truthfulness, that too many people are *buying* more debt than they can afford. It still takes two to make a loan or an installment purchase but Mr. Black focuses critically on the seller. Like other contemporary social critics, he believes that businessmen, by "using the techniques of Madison Avenue," exercise virtually unlimited control over consumer buying habits. Tell this to the merchant with last year's unsold goods on his shelves! Many self-indulgent people who are overloaded with debts are *not* innocent victims of "credit crooks," "credit gougers," or "debt merchants," but of their own cupidity.

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In his preoccupation with the "sale" of credit, Mr. Black fails even to mention one very important question: Why are so many people willing, yea even eager, to go into debt and live beyond their means? Several answers come to this reviewer's mind.

First, the heavy taxes most of us pay make it more and more difficult to save money for future purchases.

Second, the high prices brought by inflation and labor union monopolistic practices are a burden on consumers.

Third, although there has been no panic as yet, many persons realize, however dimly, that their money is losing a little of its value every day due to the inflationary policies of the federal government. Hence they are quick to spend what they have before its purchasing power is further diminished.

Fourth, the constant threat of war – the crisis psychology that government provokes – is hardly calculated to encourage people to think and plan ahead and save for the future.

Fifth, government pressure to hold interest rates down makes borrowed money a bargain. When money is "easy," lenders are more lenient in dealing with applicants for loans or credit.

Sixth, the fact that the national government stands ready to bail out all and sundry who are "in need" does little to foster a sense of individual responsibility.

Seventh, the government's lack of concern about *its* rising debt and the policy of deficit spending – spend now, pay later – sets a poor example for the citizen. Thus the national government itself is, in a large measure, responsible for the credit boom – the increase in the numbers of those who wish to "buy now and pay later."

Where does Mr. Black turn when he seeks a remedy for the "evils" of credit buying and borrowing? To the national government, alas, which should, he urges, pass a law regulating all credit and borrowing transactions. But legislation is no cure-all; Mr. Black himself notes that many laws governing lending institutions actually help rather than hinder the "loan shark"– the lender who operates outside the law.

We have not yet learned, apparently, that passing a law to protect people from themselves usually creates worse problems than those the law was invoked to solve. ◈

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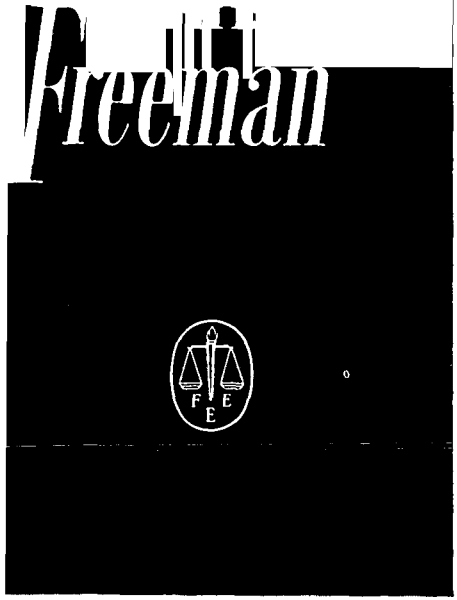

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